COPY

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

McINTOSH COUNTY BANK, FIRST STATE BANK OF BIGFORK, SECURITY FIRST BANK OF NORTH DAKOTA, CAMPBELL COUNTY BANK, INC., SECURITY STATE BANK, CHOICE FINANCIAL GROUP, UNITED COMMUNITY BANK OF NORTH DAKOTA, COMMUNITY NATIONAL BANK, LAKE COUNTRY STATE BANK, BANK OF LUXEMBURG, PEOPLES STATE BANK OF MADISON LAKE, NEW AUBURN INVESTMENT, INC., OREGON COMMUNITY BANK & TRUST, STATE BANK OF PARK RAPIDS, FARMERS STATE BANK, CITIZENS STATE BANK OF ROSEAU, FIRST INDEPENDENT BANK, FIRST NATIONAL BANK OF THE NORTH, SECURITY STATE BANK OF SEBEKA, NORTHSTATE, LLC, FIRST AMERICAN BANK & TRUST, FIRST FEDERAL SAVINGS BANK OF THE MIDWEST, NORTH COUNTRY BANK & TRUST, DACOTAH BANK - VALLEY CITY, FIRST NATIONAL BANK & TRUST CO. OF WILLISTON, ULTIMA BANK MINNESOTA, SECURITY BANK USA, THE RAMSEY NATIONAL BANK AND TRUST CO. OF DEVILS LAKE, MCVILLE STATE BANK, PAGE STATE BANK, FIRST NATIONAL BANK OF THE NORTH, BRIAN F. LEONARD, TRUSTEE, AND MARSHALL INVESTMENTS CORPORATION, A DELAWARE CORPORATION

Plaintiffs,

- against -

ST. REGIS MOHAWK TRIBE, A NATIVE AMERICAN FEDERALLY RECOGNIZED INDIAN TRIBE.

Defendant.

Index No. 03-018263
12-8-03

COMPLAINT
(Jury Trial Demanded)

NASSAU INDEX#___ 20___
FILED

DEC 08 2003

COUNTY CLERK OF
NASSAU COUNTY

ZZ996:99949:76123:ATLANTA

Asmus Aff.,
Ex. A

Plaintiffs, by and through their counsel, for their Complaint against the Defendant St. Regis Mohawk Tribe, a Native American federally recognized Indian Tribe, state as follows:

PARTIES, JURISDICTION AND VENUE

1. McIntosh County Bank is a North Dakota banking corporation having its principal place of business at 204 Main Street, Ashley, ND 58413.

2. First State Bank of Bigfork is a Minnesota banking corporation having its principal place of business at 400 Main Avenue, Bigfork, MN 56628.

3. Security First Bank of North Dakota is a North Dakota banking corporation having its principal place of business at 100 West Main, Center, ND, 58530.

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29. McVille State Bank is a North Dakota banking corporation having its principal place of business at 201 South Main, McVille, ND 58254.

30. Page State Bank is a North Dakota banking corporation having its principal place of business at Main Street, Page, ND 58064.

31. First National Bank of the North is a Minnesota banking corporation having its principal place of business at 510 Main Street, Sandstone, MN 55072.

32. All of the above banking corporations are beneficial owners of loans to President RC sold by Miller & Schroeder Investments Corporation as set forth below.

33. Plaintiff Brian F. Leonard, Trustee, is the duly appointed, qualified, and acting Chapter 7 Trustee of the Bankruptcy Estates of Miller & Schroeder Inc., now known as SRC Holding Corporation, Miller & Schroeder Investments Corporation, now known as SRC Investments Corporation and Miller & Schroeder Financial, Inc., now known as Securities Resolution Corporation. (United States Bankruptcy Court for District of Minnesota, Case Nos. 02-40284 (NCD), 02-40285 (NCD) and 02-40286 (NCD)).

34. Marshall Investments Corporation is a corporation incorporated under the laws of the State of Delaware ("Marshall Investments"), having its principal place of business at 150 South Fifth Street, Suite 3000, Minneapolis, Minnesota 55402 and is the sub-servicer of the St. Regis I and II Loans.

35. Defendant St. Regis Mohawk Tribe (the "Tribe") is a Native American federally recognized Indian tribe pursuant to the Treaty with the Seven Nations of Canada, 7 Stat. 55 (May 31, 1796), possessing sovereign power over the St. Regis Mohawk reservation. The Tribe has expressly waived its sovereign immunity pursuant to a document entitled Notice and Acknowledgment of Pledge Agreement dated February 12, 1999 ("Pledge Agreement"). The Tribe also expressly agreed as part of the terms and conditions of the Pledge Agreement that any action with regard to a controversy, disagreement or dispute under the Pledge Agreement shall be brought before the appropriate United States District Court or New York State Court. A copy of the Pledge Agreement is attached hereto as Exhibit A.

36. This court has jurisdiction over the person of the Tribe pursuant to CPLR §§ 301 and 302 in that, among other things, the Tribe is doing business within the State of New York.

37. The action is properly lodged in this county pursuant to CPLR § 503..

FACTS COMMON TO ALL CLAIMS

Management Agreement Between President R.C. – St. Regis Management Company and St. Regis Mohawk Tribe

38. Effective December 27, 1997, President R.C. – St. Regis Management Company ("President") entered into the Fourth Amended and Restated Management Agreement, a federally approved management agreement, with the Tribe ("Management Agreement"), pursuant to which, among other things, President agreed to finance, construct and manage the Akwesasne Mohawk Casino in Hogansburg, New York ("Akwesasne Casino") on the Tribe's reservation land near Canada. The Casino is a gaming enterprise of the Tribe. A copy of the Management Agreement is attached hereto as Exhibit B.

39. The Management Agreement provided that President would manage the Akwesasne Casino for a period of five (5) years from the date of its opening and that President would receive compensation therefor, including, among other things, a management fee and reimbursement of development expenses (as that term is defined in the Management Agreement, the "Development Expenses").

40. Pursuant to Section 6.1 (B) of the Management Agreement, President was required to incur up to $20 million in Development Expenses.

41. To date, on information and belief, it is believed that President has expended approximately $26.5 million in Development Expenses.

42. Pursuant to Section 8.10 (C) of the Management Agreement, among other sections, the Tribe is required to reimburse President for Development Expenses together with interest thereon at a rate equal to the prime rate of Citibank plus 5% (to be determined on the Effective Date of the Management Agreement) from the time when the funds were advanced.

43. Section 8.10 (C) of the Management Agreement provides in relevant part as follows:

> MANAGER'S contribution of the Development Expenses incurred by MANAGER pursuant to Section 6.1 (B) plus interest shall be repaid by the TRIBE as follows: (i) the Development Expenses up to and including the amount of Twelve Million Dollars ($12,000,000) shall be repaid with monthly payments by the Tribal Gaming Operation on behalf of the Tribe from the Revenue Account in the amount of the Monthly Base Payment; and (ii) contemporaneously with the payments described in (i), any and all Development Expenses above Twelve Million Dollars ($12,000,000) shall be repaid with payments by the Tribal Gaming Operation from the Revenue Account on behalf of the TRIBE in the amount of Five Hundred Thousand Dollars ($500,000) per month until all principal and interest amounts are repaid in full. Such payments shall be made after the payment of TRIBE'S guaranteed monthly minimum payment and after the split of the Gaming Net Revenues and Non-Gaming Net Revenues, but prior to actual distribution to TRIBE of the remaining monies due TRIBE pursuant to the split (other than the guaranteed monthly payment, which shall in no case be reduced).

44. On or about January 14, 1998, the Tribe executed a Promissory Note ("Note") in favor of President promising to repay the sum of $20 million or the aggregate

unpaid principal amount of all advances for Development Expenses made by President to the Tribe pursuant to the Management Agreement and to repay the principal amount thereof and interest on the unpaid principal balance pursuant to the terms of the Management Agreement. The purpose of the Note was to evidence the advance of Development Expenses made by President to the Tribe under the Management Agreement.

Miller & Schroeder Investments Corporation Loans to President R.C. - St. Regis Management Company

0. Miller & Schroeder Investments Corporation, a Minnesota corporation ("Miller & Schroeder"), made two loans on February 24, 1999 to President to assist President in financing the construction of and the acquisition of equipment, furniture and fixtures for the Akwesasne Casino and improvements to and the acquisition of equipment, furniture and fixtures for the St. Regis Mohawk Bingo Palace.

0. The first loan was a Senior Lien Construction Loan in the amount of $8,624,000 ("Senior Lien Construction Loan – St. Regis I").

0. The Senior Lien Construction Loan was secured by a pledge of the sums to be paid by the Tribe to President pursuant to the terms and conditions of the Management Agreement.

0. The second loan was a Senior Lien Furniture, Fixtures & Equipment Loan in the amount of $3,492,000 ("Senior Equipment Loan – St. Regis II").

0. The Senior Equipment Loan was also secured by a pledge of the sums to be paid by the Tribe to President pursuant to the terms and conditions of the Management Agreement.

Marshall Investments Corporation As Agent Of Miller & Schroeder Investments Corporation

50. Miller & Schroeder sold the entire beneficial interest in the Loans to President to the 31 state and nationally chartered financial institutions described in paragraphs 1 through 31 of this complaint.

51. Miller & Schroeder also entered into Participation Agreements with the purchasers ("Participant Purchasers") of the interests in the Loans to President.

52. The Participation Agreements provide that Miller & Schroeder would service and administer the loans for the benefit of the Participant Purchasers by collecting from the Borrower all payments and collections due and exercise all rights and interest with respect to the loans, loan documents and all collateral and security.

53. During the latter part of 2001 Miller & Schroeder sold, conveyed and assigned its entire right, title and interest in a substantial portion of the loans in its portfolio to Marshall Investments formerly known as MM&S Investments Corporation.

54. Miller & Schroeder Investments Corporation also changed its name to SRC Investments Corporation.

55. As to certain of the loans that SRC Investments Corporation, formerly known as Miller & Schroeder Investments Corporation, retained in its loan portfolio, SRC Investments Corporation entered into Subservicing Agreements with MM&S Investments, now known as Marshall Investments Corporation ("Subservicer") which provide that MM&S Investments would service and administer the loans for the benefit of the Participant Purchasers as the agent of and on behalf of SRC Investments Corporation.

56. SRC Investments Corporation entered into that certain Subservicing Agreement dated August 31, 2001 relative to the St. Regis I Loan and that certain Subservicing Agreement dated August 31, 2001 relative to the St. Regis II Loan. The Subservicing Agreements are attached hereto as Exhibits C and D.

57. Pursuant to the Subservicing Agreements, MM&S Investments is authorized as the agent of SRC Investments Corporation to service and administer the loans for the benefit of the Participant Purchasers by collecting from the Borrower all payments and collections due and exercise all rights and interests with respect to the loans, loan documents and all collateral and security in the same manner as SRC Investments Corporation was authorized to service and administer the loans pursuant to the Participation Agreements.

Termination of Management Agreement

58. The Akwesasne Casino opened for business under President's Management on April 11, 1999.

59. On or about April 17, 2000, the Tribe's appointed gaming representatives (the "Tribal Gaming Commission") revoked the licenses of key personnel of President and prohibited them from interfering with or influencing the Akwesasne Casino's gaming operation. In the notice of revocation, the Tribal Gaming Commission questioned President's claimed Development Expenses, its documentation of the Development Expenses and whether certain of the costs were properly regarded as Development Expenses.

60. Since April 17, 2000, President has been excluded from the Akwesasne Casino and has had no access to the Casino's books and records or revenues and expenses.

61. Upon information and belief, the Tribe has continued to operate the Akwesasne Casino since April 17, 2000.

62. By letter dated April 20, 2000, President advised the Tribe that the Tribe had breached the Management Agreement, demanded that the Tribe cure those material breaches and notified the Tribe of President's intention to terminate the Management Agreement.

63. Several weeks later, by letter dated May 5, 2000 the Tribe countered that it believed President breached the Management Agreement and demanded that President cure its breaches. The Tribe's letter failed to address the alleged breaches claimed by President.

64. On or about May 17, 2000, President made its records and personnel available to the Tribe's auditors and met with said auditors in an effort to resolve the Development Expense issue. To date the Tribe has failed to indicate its position with regard to the information provided.

65. By letter dated June 7, 2000, President responded to the Tribe's charges of breach and further advised, among other things, that the Tribal Gaming Commission's wrongful revocation of the licenses of President's key Casino personnel prevented President from curing the Tribe's alleged breaches of the Management Agreement.

66. On or about July 31, 2000, counsel for the Tribe sent a "notice of termination for cause" of the Management Agreement to President and the National

Indian Gaming Commission based on the alleged breaches of the Management Agreement by President.

Payment Obligations of the Tribe Directly to MM&S Investments Corporation As Agent For Miller & Schroeder Investments Corporation Under the Terms and Conditions of Pledge Agreement

0. The combination of the termination for cause of the Management Agreement between President and the Tribe by the Tribe on July 31, 2000 and the terms of the Pledge creates a direct payment obligation of the Tribe to MM&S Investments as agent for Miller & Schroeder Investments Corporation.

0. Specifically, Section 10.7 of the Management Agreement and the terms and conditions of the Pledge Agreement require the Tribe to pay directly to Miller & Schroeder Investments Corporation to the extent of the Tribe's share of "net revenues" (as defined by IGRA and the regulations thereunder) and non-gaming related net revenues from any gaming enterprise within the Tribe's Jurisdiction, if any, the following amounts:

Repayment Amounts	Monthly Payment
First $12,000,000 of Development Expenses	$254,000.00
Development Expenses in Excess of $12,000,000	$500,000.00

0. Section 10.7 of the Management Agreement specifically provides for the repayment by the Tribe of the Development Expenses incurred by President upon the termination of the Management Agreement as follows:

> In the event this Agreement is terminated for cause due to the fault of either party and MANAGER has not been repaid by Tribe for the Development Expenses, plus interest, pursuant to Section 8.10 (C) herein, then and in that event, TRIBE shall make monthly payments to MANAGER of the Monthly Base Payment and any additional payments of FIVE HUNDRED THOUSAND ($500,000) DOLLARS per month as set forth in Section 8.10 (C) herein, from TRIBE'S share of "net revenues" (as defined by IGRA and the regulations thereunder) and non-gaming related net revenues from any gaming enterprise within TRIBE'S jurisdiction, if any, until MANAGER has been repaid the total Development Expenses, plus interest, advanced by MANAGER. The terms and conditions contained in this Section shall survive any termination of this Agreement.

70. The unpaid Development Expenses accrue interest at the rate of 13.5% per annum.

71. The Tribe has acknowledged at Sections 6.1 (B), 6.1 (C) and 8.3 (A) of the Management Agreement that at least the following amounts were incurred by President R.C. as Development Expenses:

Pre April 1997 Expenses and Loans (Sec. 6.1 (B))	$4,146,301.12
Route 37 Access Property (Sec. 6.1 (C))	$165,000.00
Daily Expense Account Deposit (Section 8.3 (A))	$250,000.00
Total Judgement	$4,561,301.12

72. The Code of Federal Regulations § 502.16 defines "Net Revenues" to mean "gross gaming revenues of an Indian gaming operation less (a) Amounts paid out as, or paid for, prizes; and (b) Total gaming-related expenses, excluding management fees.

73. Upon information and belief, the Tribe presently operates and has jurisdiction over the Akwesasne Casino and the St. Regis Mohawk Bingo Palace, both of which enterprises generate gaming net revenues and non-gaming net revenues.

74. Any "gaming enterprise within the Tribe's Jurisdiction" as that phrase is used in the Pledge Agreement includes the Akwesasne Mohawk Casino developed by President, the Tribe's St. Regis Mohawk Bingo Palace and the to be developed gaming property by Park Place Entertainment and the Tribe in the Catskills Mountains.

75. Pursuant to the terms and conditions of the Pledge Agreement, all payment obligations of the Tribe to the extent of the amount of the Development Expenses plus interest at the rate of 13.5% that are payable out of "net revenues" and non-gaming related net revenues from any gaming enterprise within the Tribe's Jurisdiction, must be paid directly to MM&S Investments as agent for Miller & Schroeder without any set-off or deduction whatsoever notwithstanding any prior termination of the Management Agreement, or any defense, set-off, counterclaim or recoupment arising out of any claim against President or Miller & Schroeder, until all Development Expenses, with interest have been fully repaid.

76. The Tribe, President and Miller & Schroeder further agreed pursuant to the terms and conditions of the Pledge Agreement that they each may sue or be sued to enforce or interpret the terms, covenants and conditions of the Pledge Agreement before the appropriate United States District Court or before the appropriate state court.

FIRST CLAIM FOR RELIEF
BREACH OF PLEDGE AGREEMENT

77. Plaintiffs repeat and reallege each and every allegation set forth in paragraphs 1 through 76 of the Complaint as if fully set forth herein.

78. The Tribe agreed at Paragraph 4 of the Pledge Agreement that its obligation to repay President's Development Expenses survives any termination of the Management Agreement.

79. The Tribe agreed at Paragraph 2 of the Pledge Agreement to pay all amounts due and owing pursuant to its obligation to repay President's Development Expenses directly to an escrow account established with a state or national bank as designated by Miller & Schroeder.

80. Notwithstanding the foregoing, the Tribe, however, has failed and refused to repay President's Development Expenses and deposit all monies due and owing into the designated escrow account.

81. By reason of the foregoing, the Tribe has breached the Pledge Agreement.

82. As a direct and proximate result of the Tribe's breach, the Plaintiffs have suffered damage in an amount to be determined at trial, but not less than the sum of $20 million, together with interest thereon.

SECOND CLAIM FOR RELIEF
UNJUST ENRICHMENT

83. Plaintiffs repeat and reallege each and every allegation set forth in paragraphs 1 through 82 of the Complaint as if fully set forth herein.

84. Pursuant to the terms and conditions of the Management Agreement and Pledge Agreement, the Tribe is obligated to deposit all amounts owing under said Agreements into an escrow account.

85. The Tribe, having received and retained the benefits of the construction and operation of the Akwesasne Casino, has failed to deposit any

of the net revenue into the escrow account as it is required to do by the Pledge Agreement.

86. As a direct and proximate result of the Tribe's actions and failures to act, the Tribe has been unjustly enriched in an amount to be determined at trial, but not less than the sum of $20 million together with interest thereon.

THIRD CLAIM FOR RELIEF
ACCOUNTING/IMPOSITION OF CONSTRUCTIVE TRUST

87. Plaintiffs repeat and reallege each and every allegation set forth in paragraphs 1 through 86 of the Complaint as though fully set forth herein.

88. The Tribe is in sole possession of the financial books and records necessary to establish the amount of the Tribe's gaming and non-gaming related revenues and the amount to be deposited into the escrow account.

89. The Pledge Agreement creates a fiduciary relationship between the Tribe and Miller & Schroeder and MM&S must rely solely on the Tribe to determine the extent of the Tribe's share of "net revenues" (as defined by the IGRA and the regulations thereunder) and non-gaming related net revenues from any gaming enterprise within the Tribe's jurisdiction.

90. Marshall Investments is entitled to an accounting of all of the Tribe's gaming and non-gaming related revenues from the Akwesasne Casino and the St. Regis Mohawk Bingo Palace, as reported in accordance with the Governmental Accounting Standards Board ("GASB") Statement 34, Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments (GASB 34) and the Indian Gaming Regulatory Act and

Rules and Regulations promulgated thereunder, for the period beginning February 24, 1999 and going forward.

91. As a direct and proximate result of the fiduciary relationship described above and the unjust enrichment to the Tribe due to its failure to deposit revenues into the escrow account, Plaintiffs are entitled to the establishment of a constructive trust for all amounts determined to have been owing by the Tribe under the terms of the Management and Pledge Agreements.

WHEREFORE, Plaintiffs demand judgment against Defendant as follows:

1. For damages in an amount to be determined at trial, but not less than the sum of $20 million, together with interest thereon as provided in the Note and Management Agreement;

2. For the imposition of a constructive trust on all of the Tribe's gaming and non-gaming related revenues from any gaming enterprise within the Tribe's jurisdiction;

1. For the issuance of an order by the Court requiring the Tribe to provide Plaintiffs with a monthly accounting of the Tribe's gaming and non-gaming related revenues from the Akwesasne Casino and the St. Regis Mohawk Bingo Palace, as reported in accordance with the Governmental Accounting Standards Board ("GASB") Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments (GASB 34) and the Indian Gaming Regulatory Act and Rules and Regulations promulgated thereunder, for the period beginning February 24, 1999 and going forward and permitting Marshall Investments to inspect the Tribe's books and records relating to the Akwesasne Casino, the St. Regis Mohawk Bingo

Palace and any future gaming projects within the Tribe's jurisdiction as they relate to the Tribe's repayment obligations under the Management Agreement and Pledge Agreement;

4. That Plaintiffs be awarded attorney's fees, costs and disbursements incurred in this action;

5. That Plaintiffs be awarded attorney's fees, costs and disbursements incurred in its action against President to obtain a judgment against President relative to the unpaid balances on the St. Regis I and St. Regis II Loans; and

6 That the Court issue such other and further relief as to this Court deems just and proper.

DEMAND FOR A JURY TRIAL

Plaintiffs hereby demand a trial by jury of all issues legally entitled to be tried by a jury.

Dated: December 8, 2003

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STITES & HARBISON, PLLC

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Telephone (404) 739-8800

ATTORNEYS FOR PLAINTIFFS BANK PARTICIPANTS, AND MARSHALL INVESTMENTS CORPORATION, A DELAWARE CORPORATION

LEONARD, O'BRIEN, SPENCER, GALE & SAYRE

By Edward W. Gale by DM

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Telephone: (651) 227-9505

ATTORNEYS FOR BRIAN F. LEONARD, TRUSTEE, FOR SRC HOLDING CORPORATION, F/K/A MILLER & SCHROEDER, INC. AND ITS SUBSIDIARIES

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

McINTOSH COUNTY BANK, FIRST STATE BANK OF BIGFORK, SECURITY FIRST BANK OF NORTH DAKOTA, CAMPBELL COUNTY BANK, INC., SECURITY STATE BANK, CHOICE FINANCIAL GROUP, UNITED COMMUNITY BANK OF NORTH DAKOTA, COMMUNITY NATIONAL BANK, LAKE COUNTRY STATE BANK, BANK OF LUXEMBURG, PEOPLES STATE BANK OF MADISON LAKE, NEW AUBURN INVESTMENT, INC., OREGON COMMUNITY BANK & TRUST, STATE BANK OF PARK RAPIDS, FARMERS STATE BANK, CITIZENS STATE BANK OF ROSEAU, FIRST INDEPENDENT BANK, FIRST NATIONAL BANK OF THE NORTH, SECURITY STATE BANK OF SEBEKA, NORTHSTATE, LLC, FIRST AMERICAN BANK & TRUST, FIRST FEDERAL SAVINGS BANK OF THE MIDWEST, NORTH COUNTRY BANK & TRUST, DACOTAH BANK - VALLEY CITY, FIRST NATIONAL BANK & TRUST CO. OF WILLISTON, ULTIMA BANK MINNESOTA, SECURITY BANK USA, THE RAMSEY NATIONAL BANK AND TRUST CO. OF DEVILS LAKE, MCVILLE STATE BANK, PAGE STATE BANK, FIRST NATIONAL BANK OF THE NORTH, BRIAN F. LEONARD, TRUSTEE, AND MARSHALL INVESTMENTS CORPORATION, A DELAWARE CORPORATION

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- against -

PARK PLACE ENTERTAINMENT CORPORATION, CLIVE CUMMIS, IVAN KAUFMAN AND WALTER HORN

Defendant.

Civil Action File No.

CR 03 6181

COMPLAINT
(Jury Trial Demanded)

SEYBERT, J.

LINDSAY, M.J.

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31. First National Bank of the North is a Minnesota banking corporation having its principal place of business at 510 Main Street, Sandstone, MN 55072.

32. All of the above banking corporations are beneficial owners of Loans to President RC sold by Miller & Schroeder Investments Corporation as set forth below.

33. Plaintiff Brian F. Leonard, Trustee, is the duly appointed, qualified, and acting Chapter 7 Trustee of the Bankruptcy Estates of Miller & Schroeder Inc., now known as SRC Holding Corporation, Miller & Schroeder Investments Corporation, now known as SRC Investments Corporation and Miller & Schroeder Financial, Inc., now known as Securities Resolution Corporation. (United States Bankruptcy Court for District of Minnesota, Case Nos. 02-40284 (NCD), 02-40285 (NCD) and 02-40286 (NCD)).

34. Marshall Investments Corporation is a corporation incorporated under the laws of the State of Delaware ("Marshall Investments"), having its principal place of business at 150 South Fifth Street, Suite 3000, Minneapolis, Minnesota 55402 and is the sub-servicer of the St. Regis I and II Loans.

35. Defendant, Park Place Entertainment Corporation, is a publicly traded corporation organized under the laws of the state of Delaware with its principal place of business located at 26 Main Street, Chatham, New Jersey 07928, which has and does transact business in New York. Park Place may be served with process by serving its registered agent for service of process CSC at its registered office at 830 Bear Tavern Road, Trenton, New Jersey 08628.

36. Defendant Clive Cummis is a resident of the State of New York and, during relevant times, was formerly Senior Vice President and General Counsel of Park Place Entertainment Corporation.

37. Defendant Ivan Kaufman is a resident of the State of New York and, during relevant times, was Chief Executive Officer of President R.C. – St. Regis Management Company.

38. Defendant Walter Horn is a resident of the State of New York and, during relevant times, was Senior Vice President and General Counsel of President R.C. – St. Regis Management Company.

39. This Court has jurisdiction under 28 U.S.C. § 1332 because complete diversity of citizenship exists between all Plaintiffs and Park Place and the amount in controversy exceeds the sum of $75,000, exclusive of interest and costs.

40. Venue is proper in this District pursuant to 28 U.S.C. § 1391(a).

INTRODUCTION

41. This Complaint is filed to redress the tortious acts committed by Defendants Park Place Entertainment Corporation ("Park Place"), the world's largest casino company, Clive Cummis ("Cummis"), an officer of Park Place and Ivan Kaufman ("Kaufman") and Walter Horn ("Horn"), officers of President R.C. – St. Regis Management Company ("President") in wrongfully inducing government officials of the St. Regis Mohawk Tribe ("Tribe") to terminate the Tribe's Fourth Amended and Restated Management Agreement with President ("Management Agreement") and the Notice and Acknowledgment of Pledge Agreement dated February 12, 1999 among the St. Regis Mohawk Tribe, President R.C. - St. Regis Management Company and Miller & Schroeder Investments Corporation ("Pledge Agreement") and thus illegally interfering with the contractual agreements and business relationships with Plaintiffs relating to two loans made to President on February 24, 1999 to assist President in financing the construction of and the acquisition of equipment, furniture and fixtures for the Akwesasne Casino and improvements to and the acquisition of equipment, furniture and fixtures for the St. Regis Mohawk Bingo Palace.

42. President agreed to finance, construct and manage the Akwesasne Mohawk Casino in Hogansburg, New York ("Akwesasne Casino") on the Tribe's reservation land near Canada pursuant to the Management Agreement between the Tribe and President.

43. President and the Tribe entered into the Management Agreement effective December 27, 1997 pursuant to which President agreed to finance, construct and then manage the Akwesasne Casino for five years from the date of its opening and receive a " Management Fee " and reimbursement of its " Development Expenses " incurred in developing, building and furnishing the Akwesasne Casino.

44. The Pledge Agreement entered into by the Tribe created a direct payment obligation of the Tribe to MM&S Investment, now known as Marshall Investments Corporation as agent for Miller & Schroeder Investments Corporation on the basis of the terms and conditions of the Management Agreement.

45. In or about August 1999 through April of 2000, Defendants Park Place, Cummis, Kaufman and Horn, and now deceased Arthur Goldberg ("Goldberg") the former President of Park Place, illegally conspired to undermine the contractual agreements and relationships between President and the Tribe, and in turn undermine the contractual agreements among President, the Tribe and Miller & Schroeder, so that Kaufman would be able to recoup his investment in the Akwesasne Casino directly from Park Place and so that Park Place would be able to acquire the exclusive right to manage all of the Tribe's gaming enterprises in the entire State of New York and build and manage a casino for the Tribe in the Catskill Mountains and Kaufman would be able to share in the profits from that Catskills Casino.

46. On or about April 17, 2000, some six months after Defendants Park Place, Cummis, Kaufman and Horn, and now deceased Arthur Goldberg began to illegally conspire to undermine the contractual agreements and relationships between President and the Tribe, and in turn undermine the contractual agreements among President, the Tribe and Miller & Schroeder, government officials of the Tribe, without notice to President and Miller & Schroeder, abruptly and unilaterally terminated all of their business and contractual relationships with President and Miller & Schroeder.

47. This Complaint seeks over Seventy Five Million Dollars ($75,000,000.00) in compensatory damages (trebled for Donnelly Act violations), plus costs and attorneys' fees, and Three Hundred Million Dollars ($300,000,000.00) in punitive damages for the intentional, malicious and wrongful conduct engaged in by Park Place and two of its then most senior officers, Goldberg, and Cummis, and by Kaufman and Horn.

48. The Defendants' unlawful and intentional acts destroyed the contractual agreements and relationships between President and the Tribe, and in turn destroyed the contractual agreements among President, the Tribe and Miller & Schroeder, and thereby precluded Miller & Schroeder and the Bank Participants from obtaining the repayment of the two loans made to President on February 24, 1999 to assist President in financing the construction of and the acquisition of equipment, furniture and fixtures for the Akwesasne Casino and improvements to and the acquisition of equipment, furniture and fixtures for the St. Regis Mohawk Bingo Palace.

FACTS COMMON TO ALL CLAIMS

Management Agreement Between President R.C. – St. Regis Management Company and St. Regis Mohawk Tribe

49. Pursuant to the terms and conditions of the Management Agreement, President agreed to finance, construct and manage the Akwesasne Mohawk Casino in Hogansburg, New York ("Akwesasne Casino") on the Tribe's reservation land near Canada. The Akwesasne Casino is a gaming enterprise of the Tribe. A copy of the Management Agreement is attached hereto as Exhibit A.

50. The Management Agreement provided that President would manage the Akwesasne Casino for a period of five (5) years from the date of its opening for which the President would receive compensation including, among other things, a management fee and reimbursement of development expenses (as that term is defined in the Management Agreement, the "Development Expenses").

51. Pursuant to Section 6.1 (B) of the Management Agreement, President was required to incur up to $20 million in Development Expenses.

52. To date, on information and belief, it is believed that President has expended approximately $26.5 million in Development Expenses.

53. Pursuant to Section 8.10 (C) of the Management Agreement, among other sections, the Tribe is required to reimburse President for Development Expenses together with interest thereon at a rate equal to the prime rate of Citibank plus 5% (to be determined on the Effective Date of the Management Agreement) from the time when the funds were advanced.

54. Section 8.10 (C) of the Management Agreement provides in relevant part as follows:

> MANAGER'S contribution of the Development Expenses incurred by MANAGER pursuant to Section 6.1 (B) plus interest shall be repaid by the TRIBE as follows: (i) the Development Expenses up to and including the amount of Twelve Million Dollars ($12,000,000) shall be repaid with monthly payments by the Tribal Gaming Operation on behalf of the Tribe from the Revenue Account in the amount of the Monthly Base Payment; and (ii) contemporaneously with the payments described in (i), any and all Development Expenses above Twelve Million Dollars ($12,000,000) shall be repaid with payments by the Tribal Gaming Operation from the Revenue Account on behalf of the TRIBE in the amount of Five Hundred Thousand Dollars ($500,000) per month until all principal and interest amounts are repaid in full. Such payments shall be made after the payment of TRIBE'S guaranteed monthly minimum payment and after the split of the Gaming Net Revenues and Non-Gaming Net Revenues, but prior to actual distribution to TRIBE of the remaining monies due TRIBE pursuant to the split (other than the guaranteed monthly payment, which shall in no case be reduced).

55. On or about January 14, 1998, the Tribe executed a Promissory Note ("Note") in favor of President promising to repay the sum of $20 million or the aggregate unpaid principal amount of all advances for Development Expenses made by President to the Tribe pursuant to the Management Agreement and to repay the principal amount thereof and interest on the unpaid principal balance pursuant to the terms of the Management Agreement. The purpose of the Note was to evidence the advance of Development Expenses made by President to the Tribe under the Management Agreement.

Miller & Schroeder Investments Corporation Loans to President R.C. - St. Regis Management Company

56. Miller & Schroeder Investments Corporation, a Minnesota corporation ("Miller & Schroeder"), made two loans (the "President Loans") on February 24, 1999 to President to assist President in financing the construction of and the acquisition of equipment, furniture and fixtures for the Akwesasne Casino and improvements to and the acquisition of equipment, furniture and fixtures for the St. Regis Mohawk Bingo Palace.

57. The first loan was a Senior Lien Construction Loan in the amount of $8,624,000 ("Senior Lien Construction Loan – St. Regis I").

58. The Senior Lien Construction Loan was secured by a pledge of the sums to be paid by the Tribe to President pursuant to the terms and conditions of the Management Agreement.

59. The second loan was a Senior Lien Furniture, Fixtures & Equipment Loan in the amount of $3,492,000 ("Senior Equipment Loan – St. Regis II").

60. The Senior Equipment Loan was also secured by a pledge of the sums to be paid by the Tribe to President pursuant to the terms and conditions of the Management Agreement.

Marshall Investments Corporation As Agent Of Miller & Schroeder Investments Corporation

61. Miller & Schroeder sold the entire beneficial interest in the President Loans to the banking institutions referenced in paragraphs 1 to 31 of this complaint.

62. Miller & Schroeder also entered into Participation Agreements with the aforesaid banking institutions as purchasers ("Participant Purchasers") of the interests in the Loans to President.

63. The Participation Agreements provide that Miller & Schroeder would service and administer the loans for the benefit of the Participant Purchasers by collecting from the Borrower all payments and collections due and exercise all rights and interest with respect to the loans, loan documents and all collateral and security.

64. During the latter part of 2001 Miller & Schroeder sold, conveyed and assigned its entire right, title and interest in a substantial portion of the loans in its portfolio to MM&S Investments, now known as Marshall Investments Corporation.

65. Miller & Schroeder Investments Corporation also changed its name to SRC Investments Corporation.

66. As to certain of the loans that SRC Investments Corporation, formerly known as Miller & Schroeder Investments Corporation, retained in its loan portfolio, SRC Investments Corporation entered into Subservicing Agreements with MM&S Investments ("Subservicer").

67. SRC Investments Corporation entered into a Subservicing Agreement dated August 31, 2001 relative to the St. Regis I Loan and a Subservicing Agreement dated August 31, 2001 relative to the St. Regis II Loan. The Subservicing Agreements are attached hereto as Exhibits B and C.

68. Pursuant to the Subservicing Agreements, MM&S Investments is authorized as the agent of SRC Investments Corporation to service and administer the loans for the benefit of the Participant Purchasers by collecting from the Borrower all

payments and collections due and exercise all rights and interests with respect to the loans, loan documents and all collateral and security in the same manner as SRC Investments Corporation was authorized to service and administer the loans pursuant to the Participation Agreements.

Termination of Management Agreement

69. The Akwesasne Casino opened for business under President's Management on April 11, 1999.

70. On or about April 17, 2000, the Tribe's appointed gaming representatives (the "Tribal Gaming Commission") revoked the licenses of key personnel of President and prohibited them from interfering with or influencing the Akwesasne Casino's gaming operation. In the notice of revocation, the Tribal Gaming Commission questioned President's claimed Development Expenses, its documentation of the Development Expenses and whether certain of the costs were properly regarded as Development Expenses.

71. Since April 17, 2000, President has been excluded from the Akwesasne Casino and has had no access to the Casino's books and records or revenues and expenses.

72. Upon information and belief, the Tribe has continued to operate the Akwesasne Casino since April 17, 2000.

73. By letter dated April 20, 2000, President advised the Tribe that the Tribe had breached the Management Agreement, demanded that the Tribe cure those material breaches and notified the Tribe of President's intention to terminate the Management Agreement.

74. Several weeks later, by letter dated May 5, 2000 the Tribe countered that it believed President breached the Management Agreement and demanded that President cure its breaches. The Tribe's letter failed to address the numerous breaches claimed by President.

75. On or about May 17, 2000, President made its records and personnel available to the Tribe's auditors and met with said auditors in an effort to resolve the Development Expense issue. The Tribe to date has failed to indicate its position with regard to the information provided.

76. By letter dated June 7, 2000, President responded to the Tribe's charges of breach and further advised, among other things, that the Tribal Gaming Commission's wrongful revocation of the licenses of President's key Casino personnel prevented President from curing the Tribe's alleged breaches of the Management Agreement.

77. On or about July 31, 2000, counsel for the Tribe sent a "Notice of Termination" of the Management Agreement to President and the National Indian Gaming Commission based on the alleged breaches of the Management Agreement by President.

Payment Obligations of the Tribe Directly to MM&S Investments Corporation As Agent For Miller & Schroeder Investments Corporation Under the Terms and Conditions of Pledge Agreement

78. The terms of the Pledge Agreement, combined with the termination for cause provisions of the Management Agreement create a direct payment obligation of the Tribe to MM&S Investments as agent for Miller & Schroeder. A copy of the Notice and Acknowledgment of Pledge Agreement is attached hereto as **Exhibit D**.

79. Specifically, Section 10.7 of the Management Agreement and the terms and conditions of the Pledge Agreement require the Tribe to pay directly to Miller & Schroeder to the extent of the Tribe's share of "net revenues" (as defined by IGRA and the regulations thereunder) and non-gaming related net revenues from any gaming enterprise within the Tribe's Jurisdiction, if any, the following amounts:

Repayment Amounts	**Monthly Payment**
First $12,000,000 of Development Expenses	$254,000.00
Development Expenses in Excess of $12,000,000	$500,000.00

80. Section 10.7 of the Management Agreement specifically provides for the repayment by the Tribe of the Development Expenses incurred by President upon the termination of the Management Agreement as follows:

> In the event this Agreement is terminated for cause due to the fault of either party and MANAGER has not been repaid by Tribe for the Development Expenses, plus interest, pursuant to Section 8.10 (C) herein, then and in that event, TRIBE shall make monthly payments to MANAGER of the Monthly Base Payment and any additional payments of FIVE HUNDRED THOUSAND ($500,000) DOLLARS per month as set forth in Section 8.10 (C) herein, from TRIBE'S share of "net revenues" (as defined by IGRA and the regulations thereunder) and non-gaming related net revenues from any gaming enterprise within TRIBE'S jurisdiction, if any, until MANAGER has been repaid the total Development Expenses, plus interest, advanced by MANAGER. The terms and conditions contained in this Section shall survive any termination of this Agreement.

81. The unpaid Development Expenses accrue interest at the rate of 13.5% per annum.

82. The Tribe acknowledges at Sections 6.1 (B), 6.1 (C) and 8.3 (A) of the Management Agreement that at least the following amounts were incurred by President R.C. as Development Expenses:

Pre April 1997 Expenses and Loans (Sec. 6.1 (B))	$4,146,301.12
Route 37 Access Property (Sec. 6.1 (C))	$165,000.00
Daily Expense Account Deposit (Section 8.3 (A))	$250,000.00
Total Acknowledged Development Expenses	$4,561,301.12

83. The Code of Federal Regulations § 502.16 defines "Net Revenues" to mean "gross gaming revenues of an Indian gaming operation less (a) Amounts paid out as, or paid for, prizes; and (b) Total gaming-related expenses, excluding management fees.

84. Upon information and belief, the Tribe presently operates and has jurisdiction over the Akwesasne Casino and the St. Regis Mohawk Bingo Palace, both of which enterprises generate gaming net revenues and non-gaming net revenues.

85. Any "gaming enterprise within the Tribe's Jurisdiction" as that phrase is used in the Pledge Agreement includes the Akwesasnę Mohawk Casino developed by President, the Tribe's St. Regis Mohawk Bingo Palace and the to be developed gaming property by Park Place and the Tribe in the Catskills Mountains.

86. Pursuant to the terms and conditions of the Pledge Agreement, all payment obligations of the Tribe to the extent of the amount of the Development Expenses plus interest at the rate of 13.5% that are payable out of "net revenues" and non-gaming

related net revenues from any gaming enterprise within the Tribe's Jurisdiction, must be paid directly to MM&S Investments as agent for Miller & Schroeder without any set-off or deduction whatsoever notwithstanding any prior termination of the Management Agreement, or any defense, set-off, counterclaim or recoupment arising out of any claim against President or Miller & Schroeder, until all Development Expenses, with interest have been fully repaid.

87. The Tribe, President and Miller & Schroeder further agreed pursuant to the terms and conditions of the Pledge Agreement that they each may sue or be sued to enforce or interpret the terms, covenants and conditions of the Pledge Agreement before the appropriate United States District Court or the appropriate state court.

Interference with Contractual Agreements and Business Relationships

88. On information and belief, in August 1999, Goldberg and Cummis were introduced to Kaufman and Horn. At that time, the Management Agreement and Pledge Agreement were in full force and effect.

89. After the aforesaid introduction, Park Place, Cummis, Kaufman and Horn agreed to coerce the Tribe into terminating its contractual relationships with President and Miller & Schroeder by exerting illegal and unlawful economic pressure on the Tribe as part of an overall plan to (1) have Park Place purchase Kaufman's interest in President, (2) induce the Tribe to terminate their business and contractual relationships with all other parties involved in the Akwesasne Casino and the Catskills Casino Project (3) to have Park Place become the exclusive business partner of the Tribe as to all of the Tribe's gaming operations within New York State and (4) to have Kaufman receive an equity interest in the Catskills Casino Project.

90. The details of this illegal agreement, including specific conduct and actions by Park Place to induce the Tribe's officials to terminate their contractual relationships with President and Miller & Schroeder, have been alleged in a Complaint filed by President against Park Place, Goldberg and Cummis in Nassau County Supreme Court, seeking $550 million in damages for fraud and intentionally inducing the Tribe to terminate Presidents' exclusive agreement to manage the Tribe's Akwesasne Casino. A true, correct and genuine copy of the June 6, 2000, Complaint is attached to this Complaint as Exhibit E ("President's Complaint").

91. According to President's Complaint, the Tribe was under extreme financial pressure due to millions of dollars owed to the State of New York from the operation of the Akwesasne Casino, and was at risk of having the Casino closed; and President and Kaufman stood to lose millions of dollars it had invested in the Akwesasne Casino unless new financing was obtained. Seeking to capitalize on this unfortunate situation, Park Place dangled the carrot of a desperately needed investment in the Akwesasne Casino in exchange for an introduction to the Tribe.

92. According to President's Complaint, beginning in November 1999 Goldberg repeatedly confirmed to Kaufman that a firm deal had been struck between President and Park Place pursuant to which Park Place would purchase Kaufman's interest in President. The material terms of the deal included that Park Place would buy out Kaufman's interest in President and would provide to Kaufman the opportunity to obtain (receive) an equity interest in any deal between Park Place and the Tribe for a Catskills Casino. In return, President would use its influence over the Tribe to help forge a relationship between the Tribe and Park Place and an agreement by the Tribe to

negotiate with Park Place management and development agreements (after Park Place completed its part of the bargain) on any future casino projects in the Catskills.

93. In or about January and February 2000, Park Place, Cummis, Goldberg, Kaufman and Horn took steps to coerce the Tribe by economic pressure into awarding Park Place an exclusive arrangement for a casino in the Catskills.

94. On or about February 16, 2000 the following telephone conversation between Cummis and Ivan Kaufman, took place:

CLIVE CUMMIS:	Hello.
IVAN KAUFMAN:	Clive?
CLIVE CUMMIS:	Yes.
IVAN KAUFMAN:	How are you? It is Ivan Kaufman.
CLIVE CUMMIS:	Hello, Ivan. How are you?
IVAN KAUFMAN:	How is it going?
CLIVE CUMMIS:	Well, I'm on my way to court in (unintelligible). That's how it is going.
IVAN KAUFMAN:	Anyway I heard it was quite a thing yesterday, but I got to give you hats off how you guys were able to -
CLIVE CUMMIS:	I haven't even told Walter. I just -- you know, I have no sense of whether or not they're going to go back and talk to the rest of the Tribal Council and then come back to us with a new understanding. I believe we reached an understanding with them. We have agreed in order to get them off the hook on this Monticello situation that we will work out an indemnity with them.
IVAN KAUFMAN:	Right.

CLIVE CUMMIS: I don't believe the Monticello agreement is enforceable. I agree -- I believe that there is a -- an express obligation on behalf of those people in that group to become licensed, and in three years they have not become licensed.

IVAN KAUFMAN: Right.

CLIVE CUMMIS: And therefore, I think that the termination provision in the agreement is in play.

IVAN KAUFMAN: Yeah. I haven't read it but, you know, I --

CLIVE CUMMIS: I read it yesterday.

IVAN KAUFMAN: I probably agree with you. But I don't know if they're going to go back and change at this point. But you got to remember the pressure on them with how we're squeezing them in Akwesasne is huge. I mean they -- you know, I have kind of delayed their payrolls and --

CLIVE CUMMIS: Yeah.

IVAN KAUFMAN: -- slowed it down so badly that, you know, they're looking at Arthur as the savior.

CLIVE CUMMIS: Yep, they are.

IVAN KAUFMAN: And it is great. I mean I never would have thought that you would have gotten where you have gotten, but I guess Arthur is a genius.

CLIVE CUMMIS: He's pretty good. I'm not bad. He's pretty good.

IVAN KAUFMAN: You must be a hell of a team.

CLIVE CUMMIS: Yeah.

IVAN KAUFMAN:	I mean I have been around a little bit, but not as much as you guys. But to take a situation like this – remember we started with our letter of intent and they said never would they give an exclusive.
CLIVE CUMMIS:	Yeah.
IVAN KAUFMAN:	But you guys can maneuver. I'm impressed.
CLIVE CUMMIS:	They've given it to us now. . . .
CLIVE CUMMIS:	What I'd like to do is when I get back to the office call you and set up a meeting for you and me and Horn and Arthur.
IVAN KAUFMAN:	Yeah. We're going to have to --
CLIVE CUMMIS:	Yeah, as soon as possible,
IVAN KAUFMAN:	Especially after yesterday's meeting and Arthur's position.
CLIVE CUMMIS:	Yeah. As soon as possible.
IVAN KAUFMAN:	I mean it went from them liking me to hating me. Which is okay if --
CLIVE CUMMIS:	Yeah.
IVAN KAUFMAN:	-- it gets the deal done.

95. During the aforesaid conversation, Cummis emphasized the Tribe's resistance was overcome; "they've given it [exclusivity] to us now." The fact that Kaufman's (and therefore President's) relationship with the Tribe was souring was "okay if it gets the deal [Akwesasne bailout and Catskills exclusivity for Kaufman and Park Place to share] done."

96. During the aforesaid conversation, Kaufman, as the Manager of the Tribe's Akwesasne Casino, emphasized that he was actively "squeezing" the Tribe by

withholding or delaying payroll and payment of additional bills which put the casino in danger of being shut down.

97. On information and belief, the primary concern of the Tribal Chiefs was the employment of the Tribal members working at the Akwesasne Casino, by far the major employer on the Reservation. The Tribal Chiefs repeatedly expressed concern over the welfare of those employees as well as the political ramifications (due to the impending June contested Tribal elections) to their own hold on power which would be imperiled if payroll was stopped or layoffs occurred.

98. As Manager of the Tribe's Akwesasne Casino, Kaufman and Horn owed a fiduciary duty to the Tribe to properly and honestly manage the Akwesasne Casino.

99. Kaufman and Horn were uniquely situated due to their position of trust with the Tribe and fiscal control over their major source of jobs and income to both recognize and exploit their weakness -- that is their overriding fear that their fellow Tribe members would suffer and revolt if payroll and jobs were threatened.

100. Kaufman and Horn, with the knowledge of and in concert with Park Place, violated their fiduciary duties to the Tribe which, when combined with the acts of Park Place, were intended to and which did drive the Tribe into the arms of Park Place.

101. The conspiracy engaged in by Defendants to exert illegal and unlawful economic pressures on the Tribe resulted in the termination the Tribe's contractual relationships with President and Miller & Schroeder.

102. Defendants knew that by exerting illegal and unlawful economic pressures on the Tribe as part of an overall plan to have Park Place purchase Kaufman's interest in President and give Kaufman an interest in the Catskills Casino Project, they would

destroy the contractual agreements among President, the Tribe and Miller & Schroeder, and thereby preclude Miller & Schroeder and the Bank Participants from obtaining the repayment of the two loans made to President on February 24, 1999.

103. On or about April 14, 2000, Goldberg and Cummis on behalf of Park Place entered into an agreement with the Tribe which terminated the Tribe's business and contractual relationships with all other involved in the Catskills Casino Project and made Park Place the exclusive business partner of the Tribe in that Project and in all casino operations within the State of New York (with certain stated exceptions).

104. In recognition of the value to Park Place of the wrongful scheme of Defendants, and to induce the Tribal leadership to breach the Management Agreement and the Pledge Agreement, Park Place agreed in writing to indemnify the Tribe for any damages they might suffer from suits resulting from the Tribe's execution of the April 14 agreement.

105. Plaintiffs have incurred damages specifically due to the breach by the Tribe of the Management Agreement.

106. Plaintiffs have incurred damages specifically due to the breach by the Tribe of the Pledge Agreement.

COUNT I

INTENTIONAL TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONS

107. Plaintiffs hereby re-allege and incorporate herein by reference the allegations contained in paragraphs 1 through 106 of this Complaint as if fully set forth herein.

108. Park Place, Cummis, Kaufman and Horn intentionally and unlawfully conspired and induced the Tribe to breach the Management Agreement and thereby unlawfully interfered with the repayment of that certain Senior Lien Construction Loan dated February 24, 1999 in the amount of $8,624,000 and that certain Senior Lien Furniture, Fixtures & Equipment Loan dated February 24, 1999 in the amount of $3,492,000.

109. Park Place, Cummis, Kaufman and Horn intentionally and unlawfully conspired and induced the Tribe to breach the Pledge Agreement and that certain Escrow Agreement dated February 24, 1999 among the Tribe, President and Miller & Schroeder.

110. The Pledge Agreement represented security for the performance of all payment and other obligations under the Loans.

111. Pursuant to the Pledge Agreement and Escrow Agreement, President and the Tribe pledged and granted a security interest to Miller & Schroeder in the management fees and repayment by the Tribe of the development expenses owed by the Tribe to President under the Management Agreement ("Pledged Revenues") and the Tribe agreed to deposit all amounts owed in an escrow account with U.S. Bank Trust National Association.

112. Under the Escrow Agreement, President and Miller & Schroeder agreed to authorize and direct the Tribe to pay all Pledged Revenues due and payable under the Management Agreement to the Escrow Agent until receiving notice that all obligations of President under the Loans were paid in full. The monies and investments held by the Escrow Agent were to be irrevocably held in trust for the benefit of Miller & Schroeder, to the extent of Miller & Schroeder's interest in the escrow fund.

113. Defendants Park Place, Cummis, Kaufman and Horn had actual knowledge of the contractual relationship between Plaintiffs and the Tribe.

114. Defendants Park Place, Cummis, Kaufman and Horn have through unlawful means and by commission of unlawful acts, tortiously, willfully, wantonly, without justification and in bad faith, and in a gross departure from moral behavior, intentionally induced the Tribe to breach their contractual duties and obligations to President and Plaintiffs, including, but not limited to, breaches of express and implied duties of good faith and fair dealing.

115. But for the interference by Defendants Park Place, Cummis, Kaufman and Horn, the Tribe would not have breached their contracts with President and Plaintiffs.

116. As a result of the breaches by the Tribe of their contracts with President and Plaintiffs, Plaintiffs have suffered substantial damages.

COUNT II

INTERFERENCE WITH PROSPECTIVE BUSINESS RELATIONSHIP

117. Plaintiffs hereby re-allege and incorporate herein by reference the allegations contained in paragraphs 1 through 106 of this Complaint as if fully set forth herein as the first paragraph of Count II of their Complaint.

118. Plaintiffs developed business relationships with the Tribe through and as a result of their Loans to President to assist President in financing the construction of and the acquisition of equipment, furniture and fixtures for the Akwesasne Casino and improvements to and the acquisition of equipment, furniture and fixtures for the St. Regis Mohawk Bingo Palace.

119. The purpose and scope of the business relationships developed by Plaintiffs with the Tribe are memorialized within the terms of the numerous written agreements entered into between and among President, the Tribe and Miller & Schroeder as set forth within this Complaint.

120. Through Defendants Park Place, Cummis, Kaufman and Horn's numerous misrepresentations to the Tribe and each other and other wrongful and illegal acts undertaken in furtherance of Defendants' attempt to destroy the benefits of Plaintiffs' efforts to finance the construction of and the acquisition of equipment, furniture and fixtures for the Akwesasne Casino and improvements to and the acquisition of equipment, furniture and fixtures for the St. Regis Mohawk Bingo Palace, Defendants have wrongfully and tortiously, with the specific intent to damage and injure Plaintiffs, interfered with Plaintiffs' existing and prospective business relations with the Tribe.

121. Due to the unlawful and wrongful conduct of Defendants, the Tribe has renounced their contractual agreements with President and Plaintiffs and entered into an exclusive arrangement with Park Place.

122. Defendants' actions have resulted in the loss of Plaintiffs' existing and prospective business relationships with the Tribe. Defendants' intentional interference with Plaintiffs' business and economic relations with the Tribe was accomplished by unlawful, dishonest, unfair, and improper means.

123. Plaintiffs have incurred substantial damages due to Defendants' destruction of existing and prospective business relationships for which they are entitled to recover from Defendants.

COUNT III

UNFAIR COMPETITION

124. Plaintiffs hereby re-allege and incorporate herein by reference the allegations contained in paragraphs 1 through 106 of this Complaint as if fully set forth herein as the first paragraph of Count III of their Complaint.

125. Plaintiffs invested more than $12,000,000 in their Loans to finance the construction of and the acquisition of equipment, furniture and fixtures for the Akwesasne Casino and improvements to and the acquisition of equipment, furniture and fixtures for the St. Regis Mohawk Bingo Palace.

126. Plaintiffs' Loans created property interests as represented by their contracts with President and the Tribe.

127. On information and belief, Defendants have been and continue to be actively engaged in unlawful conspiracies, illegal lobbying and other dishonest activities designed to prevent Plaintiffs from obtaining the repayment of all outstanding amounts due and payable on their Loans.

128. Defendants damaged Plaintiffs by such unlawful, unfair, unjustified acts and are liable to the Plaintiffs for the damages they have sustained.

COUNT IV

DONNELLY ACT VIOLATIONS

129. Plaintiffs hereby re-allege and incorporate by reference the allegations contained in paragraphs 1 through 106 of this Complaint as if fully set forth herein as the first paragraph of Count IV of their Complaint.

130. Defendants Park Place Entertainment Corporation, Cummis, Kaufman and Horn's acts have been calculated to, and have through Defendants own actions and through conspiracy, contract, agreement, arrangement and combination with others, violated and interfered with Plaintiffs' rights to the free exercise of their business and their rights to provide casino gaming and related financing and services in the State of New York as proscribed by N.Y. General Business Law § 340 ("Donnelly Act"). Defendants have restrained competition in the furnishing of casino gaming and related financing and services in New York.

131. Plaintiffs have been damaged by Defendants' unlawful violations of Plaintiffs' rights to freely exercise their business and furnish financings and services in the State of New York under the Donnelly Act and accordingly are entitled to a judgment against Defendants for three-fold damages, costs and reasonable attorneys' fees as provided by § 340(5) of the Donnelly Act.

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

(a) As to Count I of the Complaint, damages in the amount of Twenty Five Million Dollars ($25,000,000.00) for interference with contractual relations or in a greater amount as proven at trial;

(b) As to Count II of the Complaint, damages in the amount of Twenty Five Million Dollars ($25,000,000.00) for interference with prospective business relations or in a greater amount as proven at trial;

(c) As to Count III of the Complaint, damages in the amount of Twenty Five Million Dollars ($25,000,000.00) for unfair competition or in a greater amount as proven at trial;

(d) As to Count IV of the Complaint, damages in the amount of Twenty Five Million Dollars ($25,000,000.00), trebled, for violation of the Donnelly Act, or in a greater amount as proven at trial, trebled, plus costs and attorneys' fees;

(e) Due to Defendants' planned and deliberate conduct which has been actuated by malicious motives, Plaintiffs demand, in view of the substantial harm caused Plaintiffs and the public at large by Defendants' reprehensible conduct, an award of punitive damages against Defendants Park Place Entertainment Corporation, Clive Cummis, Ivan Kaufman and Walter Horn in an amount no less than Three Hundred Million Dollars ($300,000,000.00), or such greater amount as is deemed just and fair by the jury.

(f) Such other amounts as may be determined by the jury as to each Count, attorneys' fees, costs and any other relief as this Court deems just.

DEMAND FOR A JURY TRIAL

Plaintiffs hereby demand a trial by jury of all issues legally entitled to be tried by a jury.

Dated: December 8, 2003

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FOURTH
AMENDED AND RESTATED
MANAGEMENT AGREEMENT

BETWEEN

THE ST. REGIS MOHAWK TRIBE

and

PRESIDENT R.C.--ST. REGIS MANAGEMENT COMPANY

November 7, 1997

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FOURTH
AMENDED AND RESTATED
MANAGEMENT AGREEMENT

THIS FOURTH AMENDED AND RESTATED MANAGEMENT AGREEMENT (this "Agreement") is made and entered on the date set forth below, by and between THE ST. REGIS MOHAWK TRIBE, a federally recognized Indian tribe, in its capacity as a sovereign government and as a proprietor, ("TRIBE"), and PRESIDENT R.C.–ST. REGIS MANAGEMENT COMPANY, a New York Partnership, ("MANAGER").

RECITALS

WHEREAS, TRIBE is a federally recognized Indian tribe pursuant to the Treaty with the Seven Nations of Canada, 7 Stat. 55 (May 31, 1796), possessing sovereign power over the St. Regis Mohawk reservation;

WHEREAS, TRIBE desires to engage in Class II and Class III gaming as authorized by the Indian Gaming Regulatory Act of 1988, 25 U.S.C. §§ 2701-2721 (hereafter "IGRA") and the regulations promulgated thereunder;

WHEREAS, TRIBE requires the financial assistance, technical assistance and expertise to develop, construct, manage, operate and maintain Class II and Class III gaming facilities on lands subject to the jurisdiction of TRIBE so as to increase TRIBE'S revenues and to enhance TRIBE'S economic self-sufficiency and self-government;

WHEREAS, MANAGER is experienced in the financing, development, construction, operation and maintenance of gaming facilities and operations;

WHEREAS, TRIBE desires to engage MANAGER to finance, construct, improve, manage, operate and maintain Class II and Class III gaming facilities as described below in conformance with the terms and conditions of this Agreement;

WHEREAS, TRIBE, in the exercise of its governmental powers, has authorized the conduct of gaming pursuant to IGRA and the Compact as defined below, under the auspices of TRIBE; and

WHEREAS, MANAGER desires to perform the above-described functions as exclusive manager (without a proprietary interest) of TRIBE for such purposes.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

SECTION 1. DEFINITIONS

In addition to any other terms and phrases defined herein, the following terms used in this Agreement shall have the definitions set forth below:

1.1 CAPITAL ITEMS. "Capital Items" means any property, plant, or equipment necessary and proper for the operation of the Tribal Gaming Operation with a cost of One Thousand Dollars ($1,000) or more and a useful life of more than one year.

1.2 CHAIRMAN. "Chairman" means the Chairman of the National Indian Gaming Commission.

1.3 CLASS II GAMING. "Class II Gaming" means games of chance which meet the definition of "Class II gaming" contained in IGRA, specifically 25 U.S.C. § 2703(7), including without limitation the games defined as Class II gaming in 25 C.F.R § 502.3.

1.4 CLASS III GAMING. "Class III Gaming" means games of chance which meet the definition of "Class III gaming" contained in IGRA, specifically 25 U.S.C. § 2703(8), including without limitation the games defined as Class III gaming in 25 C.F.R. § 502.4.

1.5 COMMISSION. "Commission" as used herein refers to the National Indian Gaming Commission established by IGRA.

1.6 COMPACT. The "Compact" shall mean the St. Regis Mohawk–State of New York Gaming Compact negotiated by and between TRIBE and the State of New York.

1.7 CONCESSIONS. "Concessions" means any restaurant, snack bar, stand, facility, station, area or any and all other non-gaming activities operated as part of the Tribal Gaming Operation having the exclusive authority to sell souvenirs, soft drinks, candies, tobacco products, alcoholic beverages, foods and related items or to provide non-gaming services on the Site.

1.8 DEVELOPMENT EXPENSES. "Development Expenses" shall have the meaning set forth in Section 6.1(B) herein.

1.9 EFFECTIVE DATE. "Effective Date" means the date of the approval of this Agreement by the Chairman of the Commission.

1.10 ELECTED OFFICIAL. "Elected Official of TRIBE" for purposes of this Agreement, shall mean all officials of TRIBE elected by the tribal membership, or appointed or selected by TRIBE.

1.11 EXECUTIVE DIRECTOR. "Executive Director" means TRIBE'S representative specifically identified by the Tribal Gaming Commission to MANAGER as the individual responsible for monitoring the operations of the Tribal Gaming Operation under the supervision of the Tribal Gaming Commission and with whom MANAGER will ordinarily officially deal with regard to the operations of the Tribal Gaming Operation.

1.12 FACILITY. "Facility" shall mean the facility as described in Sections 4.1 and 6.2 herein in which Class II and Class III Gaming will be conducted pursuant to this Agreement.

1.13 GAMING. "Gaming" means all forms of Class II gaming which are legal in the State of New York and all forms of Class III gaming which TRIBE has or will have authority to conduct pursuant to the Compact, any amendments or modifications thereof or any other compacts or agreements which may be negotiated between TRIBE and the State of New York under IGRA.

1.14 GAMING NET REVENUES. "Gaming Net Revenues" means gross gaming revenues of the Tribal Gaming Operation, less amounts paid out as, or paid for, prizes and total gaming-related Operating Expenses, excluding the Management Fees. Gaming Net Revenues shall be determined, as applicable, either on (i) a "cash flow" basis as set forth in Section 1.15 herein ("Gaming Net Revenues (Cash Flow)") or (ii) an "accrual" basis as set forth in Section 1.16 herein ("Gaming Net Revenues (GAAP/Accrual)"). Gaming Net Revenues shall be computed in conformance with generally accepted accounting principles (GAAP).

1.15 GAMING NET REVENUES (CASH FLOW). "Gaming Net Revenues (Cash Flow)" means gross gaming revenues of the Tribal Gaming Operation, less amounts paid out as, or paid for, prizes and total gaming-related Operating Expenses (Cash Flow), excluding the Management Fees. Gaming Net Revenues (Cash Flow) shall be computed in conformance with generally accepted accounting principles (GAAP).

1.16 GAMING NET REVENUES (GAAP/ACCRUAL). "Gaming Net Revenues (GAAP/Accrual)" means gross gaming revenues of the Tribal Gaming Operation, less amounts paid out as, or paid for, prizes and total gaming-related Operating Expenses (GAAP/Accrual), excluding the Management Fees. In determining Gaming Net Revenues (GAAP/Accrual), TRIBE shall be deemed to repay the principal amount of the Development Expenses subsequent to the determination of the Management Fee utilizing TRIBE'S share of the Gaming Net Revenues and Non-Gaming Net Revenues and also utilizing cash flow available to TRIBE from the Tribal Gaming Operation's depreciation expense. Gaming Net Revenues (GAAP/Accrual) shall be computed in conformance with generally accepted accounting principles (GAAP). TRIBE and MANAGER hereby stipulate that "Gaming Net Revenues (GAAP/Accrual)" shall have the same meaning as "net revenues" as defined in 25 C.F.R. § 502.16.

1.17 GENERAL MANAGER. The "General Manager" shall be that person hired as an employee of Tribal Gaming Operation pursuant to Section 7.1(A) herein to be responsible for the day-to-day operations of the Tribal Gaming Operation.

1.18 KEY EMPLOYEE. "Key Employee" means:

(A) A person employed by the Tribal Gaming Operation who performs one or more of the following functions:

(1) Bingo callers, floor supervisors, etc.;

(2) Counting room supervisor;

(3) Chief of security;

(4) Custodian of gaming supplies or cash;

(5) Floor manager;

(6) Pit boss; and

(7) Custodian of gambling devices including persons with access to cash and accounting records within such devices;

(B) If not otherwise included, any other person employed by the Tribal Gaming Operation whose total cash compensation is in excess of Fifty Thousand Dollars ($50,000) per year; or

(C) If not otherwise included, the four most highly compensated persons employed by the Tribal Gaming Operation.

1.19 MANAGEMENT FEES. "Management Fees" means the total fees paid to MANAGER, including the percentage of Gaming Net Revenues and Non-Gaming Net Revenues received by MANAGER pursuant to the terms and conditions of this Agreement.

1.20 MINI-GAMES. "Mini-Games" means Class II gaming commonly known as bingo, including pulltabs and floor games, played at a rapid pace at intermission and immediately preceding or following the Session.

1.21 MONTHLY BASE PAYMENT. "Monthly Base Payment" means the minimum amount of Development Expenses repaid each month by TRIBE to MANAGER which shall be calculated based upon (i) the amount of Development Expenses actually advanced by MANAGER pursuant to Section 6.1(B) of this Agreement, up to the amount of Twelve Million Dollars ($12,000,000), plus applicable interest set forth in said section, and (ii) a five-year repayment period commencing upon the opening date of the Tribal Gaming Operation, unless mutually accelerated or extended in writing by MANAGER and TRIBE.

1.22 NON-GAMING NET REVENUES. "Non-Gaming Net Revenues" means gross revenues from all non-gaming sources of the Tribal Gaming Operation, including without limitation Concessions, less total non-gaming related Operating Expenses, excluding the Management Fees. Non-Gaming Net Revenues shall be computed in conformance with generally accepted accounting principles (GAAP).

1.23 OPERATING EQUIPMENT. "Operating Equipment" means any equipment necessary and proper for the operation of the Tribal Gaming Operation with a cost under One Thousand Dollars ($1,000) and a useful life of under one year.

1.24 OPERATING EXPENSES. "Operating Expenses" means all costs and expenses incurred by the Tribal Gaming Operation in conjunction with the operation and maintenance of the Tribal Gaming Operation, which shall be determined, as applicable, either on (i) a "cash flow" basis

as set forth in Section 1.25 herein ("Operating Expenses (Cash Flow)") or (ii) an "accrual" basis as set forth in Section 1.26 herein ("Operating Expenses (GAAP/Accrual)").

1.25 OPERATING EXPENSES (CASH FLOW). "Operating Expenses (Cash Flow)" means all costs and expenses incurred by the Tribal Gaming Operation in conjunction with the operation and maintenance of the Tribal Gaming Operation, including without limitation the following:

(A) Personnel expenses, salaries, wages, fringe benefits, bonuses, and employee profit sharing payments and any and all other compensation, if any, excluding the Management Fees; and

(B) Nonpersonnel expenses, including telephone; inventory; materials and supplies; utilities; repairs and maintenance of the Facility and Site, including all parking areas; insurance and bonding; advertising; accounting and audit fees; security costs; legal fees; Operating Equipment; trash removal; all licenses and fees necessary for the operation of the Tribal Gaming Operation (subject to the terms set forth in Sections 3.5 and 3.6); applicable taxes, including penalties and interest; operating reserves; non-developmental amortization and depreciation expenses; non-developmental interest expense; bad debt expense; payments due to the Commission; contractual expenses related to maintenance and operation of equipment; complimentary services; and other expenses designated as Operating Expenses in this Agreement; any non-enumerated expenses allowed as Operating Expenses in the annual audit; and such other expenses as may be mutually approved by TRIBE and MANAGER from time to time as Operating Expenses of the Tribal Gaming Operation.

1.26 OPERATING EXPENSES (GAAP/ACCRUAL). "Operating Expenses (GAAP/Accrual)" means all costs and expenses incurred by the Tribal Gaming Operation in conjunction with the operation and maintenance of the Tribal Gaming Operation, including without limitation the following items (all of which, whether listed or unlisted, are to be determined in accordance with generally accepted accounting principles (GAAP)):

(A) Personnel expenses, salaries, wages, fringe benefits, bonuses, and employee profit sharing payments and any and all other compensation, if any, excluding the Management Fees; and

(B) Nonpersonnel expenses, including telephone; inventory; materials and supplies; utilities; repairs and maintenance of the Facility and Site, including all parking areas; insurance and bonding; advertising; accounting and audit fees; security costs; legal fees; Operating Equipment; trash removal; all licenses and fees necessary for the operation of the Tribal Gaming Operation (subject to the terms set forth in Sections 3.5 and 3.6); applicable taxes, including penalties and interest; amortization and depreciation expenses; interest expense; bad debt expense; payments due to the Commission; contractual expenses related to maintenance and operation of equipment; and other expenses designated as Operating Expenses in this Agreement; any non-enumerated expenses allowed as Operating Expenses in the annual audit; and such other expenses as may be mutually approved by

TRIBE and MANAGER from time to time as Operating Expenses of the Tribal Gaming Operation.

1.27 OPERATION. "Operation" means any business of TRIBE which operates Class II and Class III Gaming and related non-gaming operations including without limitation all hotel, resort, tourist, sports, concessions and gaming support operations.

1.28 ORDINANCE. "Ordinance" means the laws passed by TRIBE to regulate Class II and Class III Gaming which are attached hereto as Exhibit "A," including such changes as may be adopted from time to time.

1.29 PERSONS HAVING A DIRECT OR INDIRECT FINANCIAL INTEREST IN THIS AGREEMENT. "Person(s) having a direct or indirect financial interest in this Agreement" shall have the definition set forth in 25 C.F.R. § 502.17.

1.30 PRIMARY MANAGEMENT OFFICIAL. "Primary Management Official" means:

(A) The Person having management responsibility for this Agreement, including the General Manager;

(B) Any person who has authority:

(1) To hire and fire employees; or

(2) To set up working policy for the gaming operations; or

(C) The chief financial officer or other person who has financial management responsibility.

1.31 PROJECT. "Project" means the process of planning, developing, constructing and equipping any Facility or Operation.

1.32 RELATIVE. "Relative" means an individual who is related as a father, mother, son, daughter, brother, sister, husband or wife.

1.33 SECRETARY. "Secretary" means the Secretary of the Interior or his designee.

1.34 SESSION. "Session" means a series of bingo games conducted during which time the purchaser of a set of bingo cards is an eligible participant, including any series of single card bingo games, commonly referred to as "Mini-bingo", conducted at intermission and immediately preceding or following the Session.

1.35 SITE. "Site" shall mean that tract of land within the external boundaries of the St. Regis Mohawk Reservation upon which the Facility will be located, the location of which is set forth on Exhibit "C" attached hereto.

1.36 SUBCONTRACT. "Subcontract" means any contractual arrangement between MANAGER and a third party wherein the third party is to provide non-gaming services related to the operation of the Tribal Gaming Operation.

1.37 TRIBAL GAMING COMMISSION. "Tribal Gaming Commission" means the commission established by TRIBE pursuant to the Ordinance to regulate Class II and Class III Gaming within the jurisdiction of TRIBE.

1.38 TRIBAL GAMING OPERATION. "Tribal Gaming Operation" means the Class II and Class III gaming enterprise, including without limitation Concessions and any and all gaming and non-gaming related activities, which will be owned by TRIBE and operated by MANAGER pursuant to the terms and conditions of this Agreement.

SECTION 2. PARTIES

2.1 TRIBE. TRIBE is THE ST. REGIS MOHAWK TRIBE, a federally recognized Indian tribe, in its capacity as a sovereign government and as a proprietor. TRIBE, in the exercise of its governmental powers, authorizes and regulates Class II and Class III Gaming in accordance with the Ordinance, Compact and IGRA.

2.2 MANAGER. MANAGER is PRESIDENT R.C.–ST. REGIS MANAGEMENT COMPANY, a New York Partnership.

2.3 SOLE PROPRIETARY INTEREST BY TRIBE. TRIBE shall have sole proprietary interest and responsibility for conduct of any gaming activity. Regardless of the fact that the terms for disbursement of profits are on a percentage basis, TRIBE and MANAGER are not in partnership.

2.4 COMMUNICATIONS BETWEEN PARTIES. The parties hereto agree that full and frequent communications between MANAGER and TRIBE are essential to the proper operation of the Tribal Gaming Operation. Therefore, MANAGER and the Executive Director shall meet as often as is necessary, but not less frequently than monthly during the term of this Agreement, to discuss matters of mutual concern and interest. MANAGER shall communicate with TRIBE exclusively through the Executive Director in order to facilitate operations hereunder and avoid the appearance of any interference in TRIBE'S government or affairs, with the following exceptions:

(A) when TRIBE and/or the Tribal Gaming Commission requests in writing such communications in order to perform its functions as set forth by the Ordinance or Compact;

(B) when communications by attorneys for the Tribal Gaming Operation, TRIBE and MANAGER are necessary;

(C) when TRIBE authorizes communications with another agent of TRIBE; or

(D) when TRIBE and/or the Tribal Gaming Commission requests in writing that a principal or an agent of MANAGER report directly to TRIBE and/or the Tribal Gaming Commission or appear before TRIBE and/or the Tribal Gaming Commission for a specified purpose.

2.5 TRIBAL APPROVAL. Any approval, consent or authorization of TRIBE required by any term or condition of this Agreement herein shall be accomplished by either of the following two methods:

(A) delivery to MANAGER of a resolution or other action duly enacted by TRIBE under its Constitution setting forth the terms of such approval or authorization; or

(B) delivery to MANAGER of a written approval signed by a person to whom TRIBE under its Constitution has delegated such approval authority, along with the resolution or other action of TRIBE under its Constitution authorizing such delegation.

2.6 PRIOR AGREEMENTS BETWEEN THE PARTIES. This Agreement is entered into pursuant to that certain Memorandum of Understanding, dated August 5, 1993, by and between TRIBE and MANAGER (the "Memorandum of Understanding"), and shall supersede (i) the Memorandum of Understanding, (ii) that certain Management Agreement dated October 26, 1993, between TRIBE and MANAGER, and (iii) that certain Addendum to Management Agreement dated December 15, 1993, between TRIBE and MANAGER, upon the Effective Date of this Agreement.

SECTION 3. PURPOSE; COVENANTS AND AGREEMENTS OF TRIBE

3.1 OPERATION OF CLASS II AND CLASS III TRIBAL GAMING OPERATION; SITE. The purpose of this Agreement is to provide for the management and operation of a Class II and Class III tribal gaming operation, known as "St. Regis–President Casino," or such other name as may be agreed to in writing by MANAGER and TRIBE, to be located on the Site; provided that parking and other ancillary non-gaming activities may be located on lands located near the Site. The Tribal Gaming Operation shall operate gaming solely upon the Site during the term of this Agreement. The Tribe has purchased the land constituting the Site (with the funds loaned to TRIBE by MANAGER as a Development Expense pursuant to Section 6.1(B) herein).

3.2 OPERATIONS TO COMPLY WITH FEDERAL LAW, THE ORDINANCE AND THE COMPACT. TRIBE shall, in the operation of the Tribal Gaming Operation, promote the public order, peace, safety and welfare of all persons coming within the jurisdiction of TRIBE to provide a safe and wholesome means of recreational activity in a community setting and to provide a source of revenue for the operations, programs and departments of the government of TRIBE. This Agreement shall be subject to the requirements of IGRA, the Ordinance and the Compact.

3.3 COMPACT. A Compact for Class III Gaming was executed on behalf of the State of New York by the Governor and on behalf of the TRIBE by a majority of the Tribal Council Chiefs and approved by the Secretary pursuant to 25 U.S.C. § 2710(d)(8) on December 6, 1993.

3.4 ORDINANCE. The Ordinance was approved by the Chairman of the Commission on January 21, 1994. MANAGER shall have the reasonable opportunity to review any and all licensing statutes and regulations, and any and all amendments thereto, and to provide comments to TRIBE prior to the passage thereof. TRIBE and MANAGER agree that the adoption of licensing statutes and regulations shall be at the discretion of TRIBE.

3.5 LICENSING FEE, TAXES AND IMPOSITIONS ON MANAGER. Notwithstanding any other provision contained herein, TRIBE hereby expressly covenants and agrees that any taxes, licensing or registration fees, transfer or assignment fees, or any other fees or impositions of any sort of TRIBE, the Tribal Gaming Commission, or any other tribal agency required or allowed by the Compact, Ordinance or other existing or future tribal laws or regulations (with the exception of nondiscriminatory tribal taxes on sales of cigarettes and alcohol imposed by ordinance, law or regulation) shall be satisfied solely by the payment of a one-time, five-year gaming licensing fee to TRIBE of the sum of One Million Dollars ($1,000,000) (the "Licensing Fee"). TRIBE hereby expressly covenants, agrees, represents and warrants that there shall be no other taxes, licensing or registration fees, transfer or assignment fees, or any other fees or impositions of any sort of TRIBE, the Tribal Gaming Commission, or any other tribal agency levied, charged to or imposed upon MANAGER or any enterprise, Facility, Site, Project or Operation of MANAGER (or Principals of Manager), or any vendor of MANAGER or the Tribal Gaming Operation during the five-year term of this Agreement. In consideration of the foregoing, MANAGER hereby agrees to pay the Licensing Fee upon the approval of this Agreement by the Chairman of the Commission. This sum shall not be considered either a Development Expense or an Operating Expense. The Licensing Fee shall be paid to the Clerk of TRIBE. TRIBE further agrees, represents and warrants that TRIBE, the Tribal Gaming Commission, or any other tribal agency shall not at any time prior to the valid termination of this Agreement, including without limitation the time of negotiation, construction, or operation of this Project, impose any taxes or duties upon MANAGER, the Tribal Gaming Operation, vendors to MANAGER or the Tribal Gaming Operation, the Facility, Site, Operation or Project (collectively the "Enterprise"), directly or indirectly, including any activity or action directly or indirectly related to the Enterprise. In addition, the Tribal Gaming Operation shall not be subject to any taxes or duties of TRIBE, the Tribal Gaming Commission or any other tribal agency existing as of the date of this Agreement. TRIBE, the Tribal Gaming Commission or any other tribal agency shall not, at any time, pass any law, rule, or regulation which shall adversely affect the Enterprise, directly or indirectly, including any activity or action directly or indirectly related to the Enterprise. The terms and conditions contained in this Section shall survive any termination of this Agreement.

3.6 LICENSING FEES, TAXES AND IMPOSITIONS ON EMPLOYEES. Notwithstanding any other provision contained herein, TRIBE hereby expressly covenants and agrees that any taxes, licensing or registration fees, transfer or assignment fees, or any other fees or impositions of any sort by TRIBE, the Tribal Gaming Commission, or any other tribal agency upon any officers, directors, shareholders, partners, employees, independent contractors or agents of Tribal Gaming Operation or MANAGER shall be limited to the amounts set forth, and imposed only upon the persons set forth, on the "License Fee Schedule" attached hereto as **Exhibit "B."** TRIBE agrees, represents and warrants that there shall be no other taxes, licensing or registration fees, transfer or assignment fees, or any other fees or impositions of any sort of TRIBE, the Tribal Gaming Commission, or any other tribal agency levied or imposed upon any officers, directors, shareholders, partners, employees, independent contracts or agents of Tribal Gaming Operation or MANAGER

during the term of this Agreement. Any and all fees advanced to the TRIBE or the Tribal Gaming Commission under this Section shall be paid to the Clerk of TRIBE. The terms and conditions contained in this Section shall survive any termination of this Agreement.

SECTION 4. SCOPE OF TRIBAL GAMING OPERATION

4.1 DEVELOPMENT. TRIBE and MANAGER hereby covenant and agree that the Facility shall contain approximately 76,800 square feet of space which will include gaming operations, sanitary facilities, office space, Concessions and "back-of-house" support areas as well as provide sufficient parking on or appurtenant to the Site. The costs and expenses of the Facility shall be a maximum amount of Seventeen Million Seven Hundred Fifty Thousand Dollars ($17,750,000), unless a greater amount is agreed to in writing by both MANAGER and TRIBE; provided, however, that in no event shall the Development Expenses as set forth above exceed Twenty Million Dollars ($20,000,000); and provided further that the costs and expenses of the Facility in excess of Twelve Million Dollars ($12,000,000) shall be incurred by the Tribal Gaming Operation in the sole discretion of MANAGER. The total amount of Development Expenses shall include any and all amounts loaned or advanced by MANAGER for the benefit of the Tribal Gaming Operation prior to the Effective Date of this Agreement. The Facility shall be constructed in two phases. Phase I shall consist of approximately 50,000 square feet of space to include Class III Gaming operations, sanitary facilities, office space, Concessions and "back-of-house" support areas, as well as sufficient parking on the Site and on the lands located near the Site to support such Facility. Phase II shall consist of approximately 26,800 square feet of space to include Class II gaming operations and such additional sanitary facilities, office space, Concessions, "back-of-House" support areas and parking as may be necessary. The construction of Phase II of the Facility shall be commenced on a date to be mutually agreed upon by TRIBE and MANAGER.

4.2 RESERVED

4.3 FUTURE COMPACTS; GAMING ACTIVITIES. In the event that TRIBE and the State of New York enter into any amendments of or modifications of any sort to the Compact, or any other compact or agreement permitting the operation of any additional gaming activities not included in the Compact (including without limitation slot machines and electronic gaming devices) on lands subject to the jurisdiction of TRIBE, then MANAGER shall have the right to develop, operate and maintain such gaming activities at the Facility operated by the Tribal Gaming Operation pursuant to the terms and conditions of this Agreement, and the Ordinance and Compact then in effect.

SECTION 5. MANAGER'S TERM AND SCOPE OF AUTHORITY

5.1 TERM. TRIBE hereby retains and engages MANAGER for a term of five (5) years commencing on the date the Tribal Gaming Operation is open for business to the public, to manage, administer and operate all Class II and/or Class III Gaming of the Tribal Gaming Operation. TRIBE and MANAGER shall jointly certify in writing the date the Tribal Gaming Operation is open for business, and such writing shall by reference become a part of this Agreement.

5.2 EXPIRATION OF TERM. Nine months prior to the expiration of the term of this Agreement, TRIBE shall provide MANAGER with written notice as to whether TRIBE plans to

assume full or partial management responsibility over the Tribal Gaming Operation utilizing a salaried manager, or whether TRIBE plans to contract for the management of the Tribal Gaming Operation, with MANAGER to receive a percentage of the Gaming Net Revenues and/or the Non-Gaming Net Revenues. If TRIBE plans to contract for full or partial management of the Tribal Gaming Operation on the basis of a percentage of the Gaming Net Revenues and/or the Non-Gaming Net Revenues, MANAGER shall have the right, but not the obligation, to submit its proposal to TRIBE.

5.3 MANAGER'S RESPONSIBILITIES. All of the day-to-day operations of the Tribal Gaming Operation shall be under the exclusive control of MANAGER, subject to all requirements of IGRA, the Ordinance and the Compact. TRIBE hereby grants and delegates to MANAGER the necessary power and authority to act in order to fulfill its responsibilities pursuant to this Agreement, including the authority to construct, manage, administer, operate, maintain and improve the gaming facilities for the conduct of Class II and Class III Gaming on the Site, as well as such other activities as are reasonably related thereto. MANAGER hereby accepts such obligations. MANAGER is hereby assigned the specific responsibility to establish operating days and hours and shall have the right to operate the Tribal Gaming Operation on the Site twenty-four (24) hours per day on every day of the year. MANAGER shall use reasonable measures for the orderly management and operation of the Tribal Gaming Operation, including cleaning, and such repair and maintenance work as is necessary; provided that all maintenance expenses shall be in accordance with MANAGER'S annual operating budget. As a further description of MANAGER'S duties and obligations hereunder and not in limitation of the same, MANAGER shall have the duty and responsibility to:

(A) collect, receive, and receipt, for all gross sales, revenues, and/or rentals that become due and payable and collected in connection with and/or arising from the operation and management of the Tribal Gaming Operation, and shall deduct from such gross amounts expenses hereinafter provided; and,

(B) subject to the budget provisions of Section 8.1 and 8.2 hereof, pay all sums that MANAGER deems necessary or proper for the maintenance and operation of the building and facilities, including water, insurance, heat, light, payrolls, repairs, and the like; pay all charges which become due and payable on Tribal Gaming Operation pursuant to the terms and conditions of this Agreement, or as may be determined by MANAGER; and pay such amounts as may be necessary or appropriate for Capital Items to the Tribal Gaming Operation pursuant to this Agreement.

SECTION 6. LAND CONSTRUCTION, FINANCING AND USE OF GAMING FACILITY

6.1 LAND, INITIAL CAPITAL FOR CONSTRUCTION AND INITIAL EXPENSES.

(A) Real Property Ownership. TRIBE represents that it is the legal owner of the land comprising the Site. TRIBE shall fully cooperate in obtaining all permits and approvals needed to construct the gaming facilities on the Site and to operate the gaming

activities thereon. TRIBE represents and warrants that the Site is "Indian land" within the meaning of 25 U.S.C. § 2703(4). Gaming activities shall be conducted solely upon the Site. Parking and ancillary non-gaming activities may be located on lands located near the Site.

(B) Development Expenses. MANAGER shall provide the initial capital for all development costs and expenses under this Agreement. The "Development Expenses" under this Agreement shall include the following costs and expenses:

(1) Five Hundred Thousand Dollars ($500,000) to be used for:

(a) the purchase of the Site, which in MANAGER'S sole discretion, shall be of such a size and location as to be suitable as the site for the Tribal Gaming Operation; and

(b) miscellaneous advances of funds by MANAGER to or for the benefit of TRIBE, which in the reasonably exercised discretion of the TRIBE and MANAGER will further the Tribal Gaming Operation, including without limitation attorneys' and lobbyists' fees and expenses, as deemed reasonable and proper by TRIBE and MANAGER, incurred in TRIBE'S efforts to consummate a gaming compact between TRIBE and the State of New York for Class III Gaming, to negotiate the Memorandum of Understanding and this Agreement between TRIBE and MANAGER, and to obtain approval of this Agreement from the Commission and/or each other regulatory body from which such approval is required in order to insure the enforceability of this Agreement;

(2) for the construction and development of the Facility, including the buildings, furniture and furnishings, initial supplies, landscaping and for the purchase and construction of parking areas located on or appurtenant to the Site;

(3) for the acquisition of equipment and inventory, including initial consumable supplies, tools, gaming equipment, maintenance items and other support items coincidental to the gaming operations and management thereof located on the Site;

(4) the pre-opening expenses of the Tribal Gaming Operation, including without limitation pre-opening payroll, advertising, training, temporary rentals, travel and related expenses;

(5) initial deposit in the Daily Expense Account in the amount of Two Hundred Fifty Thousand Dollars ($250,000);

(6) attorneys' and lobbyists' fees and expenses, as deemed reasonable and proper by TRIBE and MANAGER, incurred by or on behalf of TRIBE and MANAGER in the negotiation of the Memorandum of Understanding and this Agreement between TRIBE and MANAGER and to obtain approval of this

Agreement from the Commission and each other regulatory body from which such approval is required in order to ensure the enforceability of this Agreement.

The Development Expenses, as set forth above, shall not exceed Seventeen Million Seven Hundred Fifty Thousand Dollars ($17,750,000), without the prior written approval of both TRIBE and MANAGER; provided, however, that in no event shall the Development Expenses as set forth above exceed Twenty Million Dollars ($20,000,000); and provided further that the Development Expenses in excess of Twelve Million Dollars ($12,000,000) shall be incurred by the Tribal Gaming Operation in the sole discretion of MANAGER. The total amount of Development Expenses shall include any and all amounts loaned or advanced by MANAGER for the benefit of the Tribal Gaming Operation prior to the Effective Date of this Agreement. TRIBE and MANAGER acknowledge that through April 17, 1997, the total amount of Development Expenses, including any and all amounts loaned or advanced by MANAGER for the benefit of the Tribal Gaming Operation prior to the Effective Date of this Agreement, is Four Million One Hundred Fortysix Thousand Three Hundred One and 12/100 ($4,146,301.12) Dollars. MANAGER shall have no right to or claim for reimbursement by TRIBE of any other funds expended for the benefit of the Tribal Gaming Operation prior to April 17, 1997.

The aggregate amount of Development Expenses shall constitute a loan from MANAGER to TRIBE, reimbursable to MANAGER, with interest thereafter accruing on the principal amount thereof beginning when advanced (but in no event prior to the Effective Date) at a rate equal to the prime rate of Citibank plus five percent (5%). Such rate shall be a fixed rate and shall be determined on the Effective Date. If and only if the total amount of Development Expenses is repaid by TRIBE to MANAGER within one (1) year from the date the Tribal Gaming Operation is open for business to the public, a rate equal to the prime rate of Citibank plus one percent (1%) shall apply. In such event, MANAGER shall rebate to TRIBE interest collected during such period that is in excess of Citibank prime plus one percent (1%).

The Development Expenses shall be paid as provided in Section 8.10(C), subsequent to the split of the Gaming Net Revenues and Non-Gaming Net Revenues as provided in Section 8.10(D) herein.

(C) Route 37 Access Property. Within three (3) days of the Effective Date of this Agreement, MANAGER shall either sell, or shall cause 100 Lindbergh Boulevard Corp., a New York corporation which is related to MANAGER ("LINDBERGH"), to sell to TRIBE, and TRIBE shall buy, pursuant to the terms and conditions herein, the real property located in the Town of Bombay, County of Franklin, State of New York, legally described as:

Lot No. 12 and a portion of 15 of the St. Regis Reservation Purchase of 1824 and bounded and described as follows:

Beginning at an iron rerod set in the northerly boundary of NYS Route No. 37 at the southwesterly corner of Tarek Tatlock (Liber 574 Page 70) and the southeasterly corner of Charles C. Bowers (Liber 505 Page 606), thence North 68 degrees 30 minutes 20 seconds West, 1104.61 feet along the northerly boundary of said road to an iron rerod set, said point being the southwesterly corner of said Bowers and the southeasterly corner of William Baba (Liber 470 Page 425);

thence North 39 degrees 16 minutes 50 seconds East, 1319.51 feet along a fence line along the easterly line of Baba and the westerly line of Bowers to an iron rerod set in a fence line in the southerly line of James B. Cook (Lot 448), said point being in the northerly line of Town of Bombay and the southerly line of the St. Regis Indian Reservation, said point being the northwesterly corner of Bowers and the northeasterly corner of Baba;

thence South 50 degrees 21 minutes 03 seconds East, 819.23 feet along said fence line to an iron rerod found at the northeasterly corner of said Bowers and the northwesterly corner of Tatlock;

thence South 25 degrees 53 minutes 12 seconds West, 1004.13 feet along a fence line along the easterly line of Bowers and the westerly line of Tatlock to the point of beginning;

Containing 25.102 acres of land as surveyed by Haynes and Smith Associates, Professional Land Surveyors, during November of 1993.

Being the same premises conveyed to Charles C. Bowers by Linda Bowers in a deed dated November 17, 1981 and recorded in the Franklin County Clerk's Office in Liber 505 of Deeds at Page 606.

Also being a portion of the premises conveyed to Charles C. Bowers by Linda Bowers in a deed dated November 17, 1981 and recorded in the Franklin County Clerk's Office in Liber 505 of Deeds at Page 608;

Being and intended to be the same property as "Parcel II" conveyed to 100 Lindbergh Boulevard Corp. by Charles C. Bowers by deed dated December 30, 1993, and recorded in the Franklin County Clerk's Office in Book 605 of Book of Deeds at Page 17, on January 7, 1994.

Excepting and reserving New York Telephone Easements Liber 380 Page 234, Liber 380, Page 242.

Excepting and reserving Niagara Mohawk Easement Liber 397 Page 595.

Together with and subject to any easements, exceptions, rights, privileges, obligations and conditions of record.

(the "**Route 37 Access Property**").

(1) Terms of Sale. MANAGER shall transfer, or shall cause LINDBERGH to transfer, title to the Route 37 Access Property to TRIBE by deed within three (3) days after the approval of this Agreement by the Commission. The Purchase Price for the Route 37 Access Property shall be One Hundred Sixty-five Thousand Dollars ($165,000.00), which includes the purchase price paid by LINDBERGH and all costs related to obtaining, improving and maintaining the land until transfer to TRIBE. In addition, TRIBE shall pay all closing costs, recording fees, revenue stamps, taxes, insurance, attorney's fees and any other costs related to this land sale transaction. TRIBE and MANAGER agree that the Purchase Price, plus all such costs and expenses and those set forth in Section 6.1(C)(4) below, shall be considered to be a Development Expense pursuant to Section 6.1(B) herein and shall be made a part of the loan from MANAGER to TRIBE for the Development Expenses. The purchase price of the Route 37 Access Property, plus the costs and expenses set forth above and those set forth in Section 6.1(C)(4) below, shall be repaid as part of the loan for Development Expenses from MANAGER to TRIBE as provided in Section 6.1(B)(i) and (ii) and Section 8.10(C) herein. TRIBE and MANAGER agree that the purchase price and such costs and expenses will only be paid out of TRIBE's share of the Gaming Net Revenues and Non-Gaming Net Revenues as provided in Section 8.10(c) herein or pursuant to the Tribal Buyout Option in Section 4.3 herein and that TRIBE has no other obligations for the payment of the purchase price of the Route 37 Access Property.

(2) Conveyance. MANAGER shall convey, or shall cause LINDBERGH to convey fee simple title to the Route 37 Access Property by deed in the form of **Exhibit "D"** attached hereto and made a part hereof in recordable form, and which shall contain the same exceptions and reservations in the Warranty Deed conveying the Route 37 Access Property from Charles C. Bowers to LINDBERGH recorded in the Franklin County Clerk's Office in Book of Deeds, Book 605, at Page 17 on January 7, 1994, a copy of which is attached and incorporated herewith as **Exhibit "E."**

(3) Condition of Property; LINDBERGH's Representations and Warranties. TRIBE EXPRESSLY AGREES THAT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE ROUTE 37 ACCESS PROPERTY IS CONVEYED "AS IS", "WHERE IS", AND WITH "ALL FAULTS," WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, HABITABILITY OR SUITABILITY FOR ANY PURPOSE, EXPRESS OR IMPLIED. TRIBE ACKNOWLEDGES THAT MANAGER AND LINDBERGH HAVE NOT MADE AND DO NOT MAKE ANY REPRESENTATIONS AS TO

THE PHYSICAL CONDITION, OR ANY OTHER MATTER AFFECTING OR RELATING TO THE ROUTE 37 ACCESS PROPERTY. MANAGER AND LINDBERGH EXPRESSLY DISCLAIM, AND TRIBE ACKNOWLEDGES AND ACCEPTS, THAT LINDBERGH AND MANAGER HAVE DISCLAIMED ANY AND ALL REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND, ORAL OR WRITTEN, EXPRESS OR IMPLIED, CONCERNING THE ROUTE 37 ACCESS PROPERTY, INCLUDING, WITHOUT LIMITATION (I) THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY; SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF THE ROUTE 37 ACCESS PROPERTY, (II) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS INCORPORATED INTO ANY OF THE ROUTE 37 ACCESS PROPERTY, (III) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE ROUTE 37 ACCESS PROPERTY, AND (IV) THE COMPLIANCE OF THE ROUTE 37 ACCESS PROPERTY WITH REGULATIONS OR LAWS PERTAINING TO HEALTH, THE ENVIRONMENT, OR GOVERNMENTAL CODES OR REGULATIONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, FROM THE DATE OF THE CONVEYANCE, TRIBE ASSUMES ALL RISK, LIABILITY, CLAIMS, DAMAGES AND COSTS, AND AGREES THAT MANAGER AND LINDBERGH SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER DAMAGES, RESULTING OR ARISING FROM OR RELATED TO THE OWNERSHIP, USE, LOCATION, MAINTENANCE, REPAIR OR OPERATION OF THE ROUTE 37 ACCESS PROPERTY FROM THE DATE OF CLOSING. TRIBE ACKNOWLEDGES THAT MANAGER AND LINDBERGH HAVE NOT MADE ANY REPRESENTATIONS, ARE UNWILLING TO MAKE ANY REPRESENTATIONS, AND HAVE HELD OUT NO INDUCEMENTS TO TRIBE. MANAGER AND LINDBERGH MAKE ABSOLUTELY NO REPRESENTATION OR WARRANTY OF ANY KIND OR CHARACTER WITH RESPECT TO THE ENVIRONMENTAL CONDITIONS OF THE ROUTE 37 ACCESS PROPERTY.

(4) Closing. Closing shall be at a time and a place agreed to by TRIBE and MANAGER, but within three (3) days of the Effective Date. TRIBE shall pay all general real property ad valorem taxes and special assessments to date of closing, all closing costs, filing fees, attorneys fees, and any other costs related to the sale. Such costs and expenses shall be a "Development Expense" as set forth in Section 6.1(C) (1) above.

(5) Real Estate Brokers and Commissions. TRIBE and MANAGER represent and warrant to the other that it has not engaged or dealt with and there are no commissions, finder's fees, or other monies due or to become due to any real estate brokers, agents, representatives, finders, or sales persons concerning the Route 37 Access Property or this transaction. TRIBE and MANAGER shall indemnify, defend, and hold the others harmless from and against any and all claims, losses, costs (including, without limitation, reasonable attorneys' fees and court costs) resulting from any claim for any commission, finder's fees, or other monies by any

broker, agent, finder, or salesperson, in connection with this transaction, as a result of a breach of the representations and warranties set out in this section.

Subject to the Force Majeure provisions of Section 10.9, any breach by MANAGER of the provisions of this Section 6.1(c) shall render this Agreement void and unenforceable.

6.2 CONSTRUCTION OF FACILITIES. TRIBE hereby grants MANAGER the authority to supervise the construction of all the development, improvements, and related activities with regard to the Tribal Gaming Operation as set forth below:

(A) Facility. Within thirty (30) days after the Effective Date, MANAGER shall undertake all preliminary steps necessary to construct the Facility, including selection of an architect and selection of a general contractor. The Facility shall contain approximately 76,800 square feet of space to include gaming operations, sanitary facilities, office space and Concessions and back-of-house support areas, as well as provide sufficient parking on the Site and on lands located near the Site. The Facility shall be constructed in two phases. Phase I shall consist of approximately 50,000 square feet of space to include Class III Gaming operations, sanitary facilities, office space, Concessions and "back-of house" support areas, as well as sufficient parking on the Site and on the lands located near the Site to support such Facility. Phase II shall consist of approximately 26,800 square feet of space to include Class II Gaming operations and such additional sanitary facilities, office space, Concessions, "back-of house" support areas and parking as may be necessary . The construction of Phase II of the Facility shall be commenced on a date to be mutually agreed upon by TRIBE and MANAGER.

(B) Standards. The design, construction and maintenance of the Facility and Site shall meet or exceed the minimum standards set by the TRIBE'S building code or the Compact or which would be imposed on such facility by existing state or federal statutes or regulations which would be applicable if such facilities were located outside of the territorial boundaries of TRIBE, although those requirements would not otherwise apply within TRIBE'S territorial boundaries; provided further, that nothing in this Section shall grant any jurisdiction over the Site or its development and management to the State of New York, or any political subdivision thereof.

(C) National Environmental Policy Act. If applicable, MANAGER will supply the Commission with all information necessary for the Commission to comply with the regulations of the Commission issued pursuant to the National Environmental Policy Act.

6.3 ARCHITECT. The architect shall be chosen by MANAGER and shall be approved by TRIBE, such approval not to be unreasonably withheld. At the direction of MANAGER, the architect shall have the responsibility to design the Facility, with such design to be subject to the approval of TRIBE, which approval shall not be unreasonably withheld. Further, at the direction of MANAGER, the architect shall supervise the completion of all the construction, development, improvements and related activities undertaken pursuant to the terms and conditions of the contract with the general contractor as described below.

6.4 GENERAL CONTRACTOR. The general contractor shall be responsible for providing all materials, equipment and labor to construct and initially equip the Facility, as necessary, including site development, and shall supervise the construction of such facilities. The allowable costs and compensation of the general contractor shall be on terms and in an amount to be negotiated by MANAGER, said terms and amount to be approved by TRIBE. MANAGER'S contract with the general contractor shall provide as follows: (i) construction of the Facility shall commence within ninety (90) days following the Effective Date; (ii) the general contractor shall exert his best efforts to complete construction within six (6) months of the commencement of construction; (iii) the general contractor shall warrant the construction to be free of defects and unworkmanlike labor for a period of one year subsequent to the date the architect certifies the facility is complete. MANAGER'S contract with the general contractor shall contain such other provisions for the protection of the parties to this Agreement as deemed appropriate by MANAGER. Preference in employment of qualified persons by the general contractor shall be extended in the following order of priority: First, members of TRIBE; second, children and spouses of members of TRIBE; and third, members of the Canadian St. Regis Mohawk Indian Tribe.

6.5 SUPERVISION OF CONSTRUCTION. TRIBE may employ an inspector to observe the construction of the Facility, and MANAGER shall allow the inspector full access to the construction site and shall allow the inspector to inspect all construction materials and financial records relating to construction costs. Any and all reasonable costs of TRIBE'S supervision of the general contractor shall be a Development Expense.

6.6 NO LIENS. MANAGER shall keep the Facility and the Site free and clear of all mechanics' and other liens resulting from the construction of the Facility, which shall at all times remain the property of TRIBE. If such lien is claimed or filed, it shall be the duty of MANAGER, within thirty (30) days after having been given written notice of such a claim having been filed, to cause the property to be discharged from such claim, either by payment to the claimant, or by the posting of a bond, and the payment into court of the amount necessary to relieve and discharge the premises from such claim, or in any other manner which will result in the discharge of such claim.

6.7 FIRE AND SAFETY. MANAGER is hereby assigned the specific responsibility to provide fire protection services. The Facility shall be constructed and maintained in compliance with all fire and safety statutes, ordinances, and regulations which would be applicable if the Facility were located outside the exterior boundaries of the territory of TRIBE, although those requirements would not otherwise apply on that territory; provided, that nothing in this Section shall grant any jurisdiction to the State of New York or any political subdivision thereof over the Tribal Gaming Operation site. Further, the construction and maintenance shall be in compliance with and subject to the standards set forth in Section 12.A. of the Compact.

6.8 OWNERSHIP OF PROPERTY. Title to the Site and the Facility, as well as furniture, fixtures and equipment acquired pursuant to Section 6.1 herein or purchased as an Operating Expense of the Tribal Gaming Operation shall vest solely in TRIBE. Notwithstanding the preceding sentence, TRIBE and MANAGER acknowledge that the furniture and/or equipment may be leased from third parties and that amounts paid under such leasing documents shall be an Operating Expense of the Tribal Gaming Operation. In such event, title to the furniture and/or equipment shall be determined according to the provisions of the leasing documents.

Prior to opening of the Facility, a complete physical inventory of all separate property of TRIBE and MANAGER shall be taken by both parties and initial acceptance and approval shall be given by both parties. All property acquired after the opening of the Facility shall be recorded on the respective inventory records of each party when acquired. An annual inventory shall be conducted for all property located on the premises of the Facility. Any furniture, fixtures or equipment purchased by MANAGER which are not purchased as part of the initial capital expenses described in Section 6.1 herein, which are not included in the Development Expenses, Capital Items or Operating Expenses, and which are not permanently affixed to the Facility shall be the property of MANAGER and shall be removable by MANAGER upon expiration or termination of this Agreement, provided that at no time during the term of this Agreement shall MANAGER charge TRIBE for use of any property owned solely by MANAGER.

6.9 USE OF FACILITY. MANAGER shall not conduct or allow to be conducted at the Facility any illegal activities or any activities not allowed by TRIBE under the Ordinance or the Compact, including the use or possession of illegal drugs or other substances or firearms. MANAGER shall maintain an orderly, clean, and healthy atmosphere.

6.10 NON-INTERFERENCE WITH MANAGER'S USE. During the term of this Agreement, TRIBE covenants and agrees that any amendments to the Ordinance shall be a legitimate effort to ensure that Gaming is conducted in a manner that adequately protects the environment, the public health and safety, and the integrity of the Tribal Gaming Operation. TRIBE covenants and agrees that it shall not adopt any amendments to the Ordinance, or revoke or modify the Ordinance in any manner, which will prejudice MANAGER'S rights under this Agreement or any amendments hereof. TRIBE further covenants and agrees not to enact any laws or regulations of any sort which would make MANAGER'S operations authorized in this Agreement herein illegal, and agrees not to enact any laws or regulations of any sort or take any other action which would unduly interfere with, obstruct, prevent, delay or otherwise impede MANAGER from conducting its operation and management duties under this Agreement. During the term of this Agreement, TRIBE agrees that MANAGER shall have lawful access to the Site at all times.

SECTION 7. GENERAL OPERATIONS

7.1 PERSONNEL AND TRAINING. MANAGER is hereby assigned the specific responsibility to establish and administer employment practices. Further, TRIBE and MANAGER hereto covenant and agree that MANAGER shall have the responsibility on behalf of TRIBE, to employ (but shall not perform employee background checks referred to in (C) below), direct, control, and discharge all personnel performing regular services in or on the Site in connection with the construction, administration, maintenance, operation and management of the Tribal Gaming Operation, and any activity connected with the Tribal Gaming Operation, as follows:

(A) General Manager. MANAGER shall select a General Manager who shall be an employee of the Tribal Gaming Operation, and his salary shall be an Operating Expense. The annual base salary of the General Manager shall be not in excess of One Hundred and Fifty Thousand Dollars ($150,000). The General Manager must be licensed by TRIBE pursuant to the Ordinance. All licensing issues involving the General Manager

shall be decided by the Tribal Gaming Commission pursuant to the Ordinance. All non-licensing employment issues and disputes shall be resolved pursuant to Section 10.8 hereof.

(B) General Hiring Authority. All employees shall be employees of the Tribal Gaming Operation and shall be listed under the Tribal Gaming Operation's federal employee identification number. It is hereby understood and agreed that MANAGER shall have the responsibility, on behalf of the Tribal Gaming Operation, to employ, direct, control and discharge all personnel performing regular services in and on the Site in connection with maintenance, operation, and management of the Tribal Gaming Operation, subject to the requirements of IGRA and the Compact. MANAGER shall indemnify and hold TRIBE harmless from any and all liability associated with the payment of federal and state withholding taxes for employees of the Tribal Gaming Operation.

(C) Employee Background Checks. Background checks shall be conducted by TRIBE on each employee and job applicant pursuant to the terms of IGRA, the Ordinance and the Compact. If feasible, such check shall be conducted in advance of employment. Nonetheless, nothing herein shall prevent the hiring of a qualified applicant under a temporary license as provided in the Compact at Section 5 pending such background check if immediate personnel requirements demand the same. MANAGER shall cooperate with TRIBE to expedite such checks.

(D) Hiring Preference: Reports. Preference in employment of qualified persons shall be extended in the following order of priority: First, members of TRIBE; second, children and spouses of members of TRIBE; and third, members of the Canadian St. Regis Mohawk Indian Tribe; provided, that in no instance shall an Elected Official of TRIBE be hired or otherwise employed by MANAGER as an employee of the Tribal Gaming Operation. MANAGER shall provide the Tribal Gaming Commission annually, commencing with the first anniversary date of this Agreement, with a report showing the following information for the preceding twelve month period: total number of employees who worked that year, number of employees in each of the preference categories who worked that year, number of employees in the preference categories who worked in middle or upper management, number of employees hired that year, number of employees in each of the preference categories hired that year.

(E) Employee Recruitment Plan. Throughout the term of this Agreement, MANAGER shall make active efforts to recruit, train and employ members of TRIBE, their spouses and their children, and to place such persons into middle and upper level management positions, provided that such recruitment efforts and training shall be a Development Expense, if incurred prior to the commencement of Gaming under this Agreement, and an Operating Expense, if incurred subsequent to the commencement of Gaming. MANAGER shall develop and present a written plan for recruitment to TRIBE and the Tribal Gaming Commission. Such recruitment plan shall require MANAGER to make continuing active efforts to recruit, train and employ members of TRIBE, their spouses and their children during the entire term of this Agreement.

(F) Recruitment Training. As a recruitment measure, MANAGER shall ensure that the Tribal Gaming Operation is provided with employee training sessions for members of TRIBE, their children and their spouses prior to the commencement of Gaming operations and shall note such training on the trainees' applications for employment. MANAGER shall notify TRIBE in advance of all employee training to be given after commencement of operations by the Tribal Gaming Operation, and shall permit any member of TRIBE, his spouse or his children who desires (but who is not ineligible for employment pursuant to Section 7.1(D) herein) employment at the Tribal Gaming Operation to attend employee training and to have the same noted on his employment application. All training required herein shall be a Development Expense, if incurred prior to the commencement of Gaming under this Agreement, and an Operating Expense, if incurred subsequent to the commencement of Gaming; provided that TRIBE shall make reasonable efforts to provide to the Tribal Gaming Operation any job training services or job training funding which it may have available for use in recruitment and training of Tribal Gaming Operation employees.

(G) Employee Training. MANAGER shall ensure that the Tribal Gaming Operation is provided with initial training and periodic regular training for all Tribal Gaming Operation employees in compliance with the Compact. All training required herein shall be a Development Expense, if incurred prior to the commencement of Gaming under this Agreement, and an Operating Expense, if incurred subsequent to the commencement of Gaming; provided that TRIBE shall make reasonable efforts to provide to the Tribal Gaming Operation any job training services or job training funding which it may have available for use in recruitment and training of Tribal Gaming Operation employees. A three-year training plan shall be developed by MANAGER to ensure proper training of the employees of the Tribal Gaming Operation for all levels of personnel and management. During the fourth year of the term of this Agreement, all positions within the Tribal Gaming Operation shall be filled by members of TRIBE, if qualified, licensed tribal member applicants are available.

(H) Bonds for Employees in Positions of Trust. MANAGER may, from time to time, designate as positions of trust certain Tribal Gaming Operation personnel positions. Upon MANAGER'S designation of a personnel position as one of trust, MANAGER shall require the person holding such position to obtain a bond to assure the trust. The nature and amount of such bond shall be within the discretion of MANAGER and may, from time to time, be changed in nature and/or amount. The cost of such bonds shall be an Operating Expense.

(I) Hiring Preference--Vendors. All vendors to the Tribal Gaming Operation shall be selected by MANAGER through a process of competitive bids. TRIBE and members of TRIBE, if otherwise qualified and licensed, shall be given a preference over non-members of TRIBE when their bids are equal to or within five percent (5%) of the bids of non-members; provided that in no instance shall an Elected Official of TRIBE be selected or used by MANAGER as a vendor to the Tribal Gaming Operation. All bid selections and procurement policies shall be made and established by MANAGER, subject to the final approval of TRIBE, which approval shall not be unreasonably withheld.

7.2 INTERFERENCE IN TRIBAL AFFAIRS. MANAGER, including any partner, employee or agent of MANAGER, whether or not members of TRIBE, shall not, directly or indirectly, attempt to or unduly interfere with, become involved in, or attempt to influence the internal affairs of TRIBE, its members or its government, including but not be limited to any attempt to influence the tribal election process, offer cash incentives, or make written or oral threats to the personal or financial status of any person, entity, or thing. Nothing contained herein shall be construed as preventing MANAGER from meeting with TRIBE, TRIBE's officials or TRIBE'S representatives with regard to the normal performance of MANAGER'S rights, duties and obligations as allowed or contemplated by this Agreement.

7.3 SECURITY. Pursuant to the requirements of Section 11 of the Compact, and the plan for safety and security to be developed thereunder, MANAGER shall be responsible for hiring and supervising a security force consisting of security officers sufficient to reasonably assure the safety of the customers, personnel, monies and property of the Tribal Gaming Operation. The costs of the security force hired and supervised by MANAGER for the benefit of the Tribal Gaming Operation shall be an Operating Expense. Such security officers shall be employees of the Tribal Gaming Operation and shall report directly to the General Manager. MANAGER shall have exclusive responsibility for the employment of the security officers. The security personnel shall cooperate with law enforcement officers of TRIBE and the State of New York, and shall coordinate their activities with said officers when feasible. The costs of the state law enforcement officers, who are located on the Site to provide additional security to the Tribal Gaming Operation as provided in Section 4 of the Compact, shall be an Operating Expense; provided, however, that as tribal law enforcement officers undertake and assume the duties of and replace such state officers under the provisions of Section 4(f) of the Compact, the costs of such tribal law enforcement officers, who shall be located on the Site, shall become an Operating Expense. Further, the pro rata costs attributable to the Tribal Gaming Operation of the administrative expenses of the State of New York which are assessed to the Tribe under Sections 4 and 9 of the Compact shall also be an Operating Expense. The pro rata costs of the salaries and overhead of the Tribal Gaming Commission directly associated with oversight of the Tribal Gaming Operation by the Tribal Gaming Commission under this Agreement shall be an Operating Expense. Other tribal gaming ventures shall also bear their pro rata share of such costs. The parties hereto hereby agree that the foregoing costs and expenses are all of the costs and expenses for security which are attributable to the Tribal Gaming Operation. All other costs and expenses for security and tribal governmental services, if any, including without limitation (i) the costs of any additional tribal law enforcement agency and/or officers or (ii) any additional public safety or other governmental services shall be neither an Operating Expense, nor a Development Expense, of the Tribal Gaming Operation, nor shall any such costs be passed on to MANAGER, directly or indirectly, but such costs and expenses, if any, are general governmental expenses of TRIBE and are covered by the Licensing Fee in lieu of taxes provided for Section 3.5 and all other payments received by TRIBE hereunder.

7.4 COOPERATION BETWEEN SECURITY PERSONNEL AND LAW ENFORCEMENT OFFICERS. Subject to Section 11 of the Compact, MANAGER and TRIBE may develop mutually agreed upon policies and procedures related to security and law enforcement to ensure that the security personnel subject to MANAGER's control as set forth in Section 7.3 herein, the law enforcement officers subject to TRIBE'S control, and the state law enforcement officers work together in a cooperative and coordinated manner.

7.5 COMPLIANCE WITH TRIBAL AND FEDERAL LAW. The parties hereto agree to conduct gaming activities pursuant to this Agreement in accordance with the Ordinance, the Compact and IGRA.

7.6 TAXES BY NON-TRIBAL GOVERNMENT. If any non-tribal government attempts to impose any possessory interest tax or other tax on either party to this Agreement regarding the Tribal Gaming Operation (with the exception of appropriate state and federal income taxes, if any, on the Management Fees, interest or other items of income to Manager), the parties shall jointly resist such attempt through legal action. The costs of such action and the compensation of legal counsel shall be an Operating Expense of the Tribal Gaming Operation. If a court of competent jurisdiction finally determines that any such tax is legal, such tax shall be an Operating Expense of the Tribal Gaming Operation.

7.7 COMMISSION FEES; SELF-REGULATION. TRIBE and MANAGER understand that Class II Gaming at the Tribal Gaming Operation is subject to a fee to be paid to the Commission pursuant to IGRA. TRIBE and MANAGER shall use their best efforts to establish regulation of the Tribal Gaming Operation by TRIBE in order that such fee is kept to a minimum. Such annual fee to the Commission shall be an Operating Expense of the Tribal Gaming Operation. The Tribal Gaming Operation's accounting procedures shall be maintained so as to allow the calculation of the Commission's annual fee.

7.8 LEGAL REPRESENTATION OF TRIBAL GAMING OPERATION. MANAGER shall select and employ an attorney to represent the Tribal Gaming Operation in the general legal affairs of the Tribal Gaming Operation, and shall select and employ such other attorneys as are necessary to represent the Tribal Gaming Operation in any specific legal matters requiring specialized legal knowledge or expertise. Said attorney or attorneys shall be subject to approval of TRIBE, which approval shall not be unreasonably withheld, and shall be employed pursuant to written agreement executed by the authorized representative of each party. All legal fees, costs and expenses incurred pursuant to such attorney employment agreements shall be an Operating Expense. Nothing contained herein shall prevent either party from engaging an attorney to represent its separate interests arising from this Agreement at each party's separate expense.

7.9 ADVERTISING. MANAGER shall have the responsibility to set a budget for advertising. MANAGER shall routinely advertise the Tribal Gaming Operation locally so that no more than two weeks at a time shall pass without some form of local advertising being placed before the public. In addition, MANAGER shall routinely advertise the Tribal Gaming Operation outside the said local area in a manner designed to increase Tribal Gaming Operation revenues. Advertising shall be considered an Operating Expense of the Tribal Gaming Operation.

7.10 DISPUTE RESOLUTION BETWEEN MANAGER AND CUSTOMERS. MANAGER shall have the responsibility to establish and implement procedures to resolve complaints received from any customer or member of the general public who is or claims to be adversely affected by any act or omission of the Tribal Gaming Operation. MANAGER shall receive and hear any such complaints and maintain complete records of any such complaint and the disposition thereof. Subsequent to the final disposition of any such complaint by the Tribal Gaming

Operation, the customer or member of the public shall have any right provided by the Ordinance to have such complaint heard by the Tribal Gaming Commission. In conjunction with such action, MANAGER shall submit to the Tribal Gaming Commission the complete record of such complaint and disposition to be utilized by the Tribal Gaming Commission in its review and disposition thereof. In addition, MANAGER shall have the right to investigate any and all complaints and correct problems, if any, identified in complaints as determined by MANAGER.

7.11 DISPUTE RESOLUTION BETWEEN MANAGER AND EMPLOYEES. MANAGER shall have the responsibility to establish and implement procedures to resolve complaints or grievances received from any employee of the Tribal Gaming Operation who is or claims to be adversely affected by any act or omission of the Manager or Tribal Gaming Operation. The provisions of the "President R.C.-St. Regis Management Company Human Resources Policy--Grievance Procedure" developed by MANAGER are attached hereto as **Exhibit "F"**. MANAGER shall receive and hear any such complaint or grievance and maintain complete records of any such complaint or grievance and the disposition thereof. Subsequent to the final disposition of any such complaint or grievance by the Tribal Gaming Operation, the employee of the Tribal Gaming Operation shall have any right provided by the Ordinance to have such complaint or grievance heard by the Tribal Gaming Commission. In conjunction with such action, MANAGER shall submit to the Tribal Gaming Commission the complete record of such complaint or grievance and the disposition thereof to be utilized by the Tribal Gaming Commission in its review and disposition thereof. In addition, MANAGER shall have the right to investigate any and all complaints or grievances and correct problems, if any, identified in such complaints or grievances as determined by MANAGER.

SECTION 8. FINANCIAL OPERATIONS

8.1 ANNUAL OPERATING BUDGET. Not less than sixty (60) days prior to commencement of operations and not less than sixty (60) days prior to each year of the term of this Agreement, MANAGER shall prepare an annual operating budget for the Tribal Gaming Operation, and shall submit said budget to the Executive Director, who shall promptly negotiate any proposed amendments with MANAGER. The Executive Director shall submit the budget to the Tribal Gaming Commission for approval. The approved annual operating budget may be amended only upon the written consent of MANAGER and TRIBE.

8.2 ANNUAL CAPITAL BUDGET. Not less than sixty (60) days prior to commencement of operations and not less than sixty (60) days prior to each year of the term of this Agreement, MANAGER shall prepare an annual capital budget for the purpose of funding Capital Items for the Tribal Gaming Operation, and shall submit said budget to the Executive Director, who shall promptly negotiate any proposed amendments with MANAGER. The Executive Director shall submit the budget to the Tribal Gaming Commission for approval. The approved annual capital budget may be amended only upon the written consent of MANAGER and TRIBE.

8.3 BANK ACCOUNTS. TRIBE and MANAGER shall select banks convenient to the location of the Facility for the deposit and maintenance of funds. All such depositories and the accounts therein shall be federally insured, and when possible, such accounts shall be interest earning. TRIBE and MANAGER shall initially establish four (4) bank accounts, one for the Tribal

Gaming Operation Revenue Account (the "Revenue Account"), one for the Tribal Gaming Operation Daily Expense Account (the "Daily Expense Account"), one for the Tribal Gaming Operation Payroll Account (the "Payroll Account") and one for the Tribal Gaming Operation Prize Account (the "Prize Account"). Each bank account shall be listed under the federal identification number for the Tribal Gaming Operation. MANAGER shall provide the Executive Director with a monthly report on all expenditures from the accounts. Said accounts shall be maintained in accordance with the following requirements:

(A) Daily Expense Account. MANAGER shall establish the Daily Expense Account within ten (10) working days following the Effective Date of this Agreement. Such account shall be listed with the bank as held in trust for TRIBE by MANAGER as agent of TRIBE. Prior to the opening date of the Tribal Gaming Operation, MANAGER shall deposit Two Hundred Fifty Thousand Dollars ($250,000) in the Daily Expense Account for initial pre-opening and development costs and expenses and make additional deposits as may be required from time to time, which shall be a Development Expense as specified in Section 6.1(B) herein. Subsequent to the opening date of the Tribal Gaming Operation, MANAGER shall periodically deposit into the Daily Expense Account from the Revenue Account an amount sufficient to cover all Operating Expenses of the Tribal Gaming Operation, including prizes. MANAGER shall, consistent with and pursuant to the approved annual budget, have responsibility and authority for making all payments for Operating Expenses from the Daily Expense Account that MANAGER deems necessary and proper. MANAGER shall promptly pay said operation bills as they come due. The signature of the General Manager or other authorized representative of MANAGER shall be required on Daily Expense Account checks.

(B) Revenue Account. MANAGER shall establish the Revenue Account no less than ten (10) working days prior to the opening date of the Tribal Gaming Operation. Payments from the Revenue Account, other than transfers by MANAGER to the Daily Expense Account, shall require two (2) signatures as follows:

(1) the signature of the Executive Director or other authorized representative of TRIBE, as designated by the Tribal Gaming Commission, and

(2) the signature of the General Manager or other duly authorized representative of MANAGER.

Distribution of the Gaming Net Revenues and the Non-Gaming Net Revenues to TRIBE and MANAGER shall be made monthly from the Revenue Account in accordance with the provisions of Section 8.9 herein.

(C) Payroll Account. MANAGER shall establish the Payroll Account within ten (10) working days following the Effective Date of this Agreement. Such account shall be listed with the bank as held in trust for TRIBE by MANAGER as agent of TRIBE. MANAGER shall periodically deposit into the Payroll Account funds from the Daily Expense Account. MANAGER shall, consistent with and pursuant to the approved annual budget, have responsibility and authority for making all necessary payments relating to

payroll, including employment taxes, from the Payroll Account. The signature of the General Manager or other authorized representative of MANAGER shall be required on Payroll Account checks.

(D) Prize Account. MANAGER shall establish the Prize Account no less than ten (10) working days prior to the opening date of the Tribal Gaming Operation. Such account shall be listed as held in trust for TRIBE by MANAGER as agent of TRIBE. MANAGER shall periodically deposit into the Prize Account from the Daily Expense Account an amount sufficient to cover payment of prizes. MANAGER shall have responsibility and authority for making all payments for prizes that MANAGER deems necessary and proper. The signature of MANAGER or other authorized representative of MANAGER shall be required on Prize Account checks. A minimum balance of One Hundred Thousand Dollars ($100,000) shall be maintained in the Prize Account at all times for payment of prizes. A check shall be written from the Prize Account for the payment of each prize in excess of Five Thousand Dollars ($5,000).

If MANAGER determines additional bank accounts are necessary for operational purposes, MANAGER may establish such accounts with the consent of the Executive Director.

8.4 PETTY CASH FUND. MANAGER is authorized to withdraw from time to time no more than Five Thousand Dollars ($5,000) per month from the Daily Expense Account for the establishment and maintenance of a petty cash fund to be used for miscellaneous small expenditures of the Tribal Gaming Operation, which shall be maintained at the Facility, provided that all petty cash funds used shall be properly receipted.

8.5 CASH BANK. MANAGER is authorized to maintain a cash bank on the Tribal Gaming Operation premises for the purposes of day-to-day operations provided that such cash bank is adequately safeguarded from theft and embezzlement.

8.6 CASH DISBURSEMENTS; COMPLIMENTARY SERVICES.

(A) Cash Disbursements. MANAGER shall not make any cash disbursements from any Tribal Gaming Operation funds for any reason whatsoever, except for payments from the petty cash fund, the redemption of gaming chips of equal value and except for the payment of cash prizes in amounts less than Five Thousand Dollars ($5,000). Any and all other payments or disbursement by MANAGER shall be made by check drawn against the Daily Expense Account, the Payroll Account or the Prize Account. MANAGER shall have the obligation to promptly file any reports of gaming winnings and the names of winners that may be required by the Internal Revenue Service of the United States.

(B) Complimentary Services. Pursuant to Section 7(c) of the Compact, the Tribal Gaming Operation shall maintain a record of all complimentary services provided to patrons of the Facility or their guests, including either the full retail price of such service or item if the same service or item is normally offered for sale to patrons in the ordinary course of business at the Facility, or the cost of the service or item to the Tribal Gaming Operation if not offered for sale to patrons in the ordinary course of business. If the complimentary

service or item is provided to a patron by a third party on behalf of the Tribal Gaming Operation, such service or item shall be recorded as an Operating Expense at the actual cost to the Tribal Gaming Operation of having the third party provide such service or item. A log recording all such complimentary serviced having a value greater than Two Hundred Dollars ($200) shall be available for inspection by the gaming agency of the State of New York in accordance with Section 11(b) and Appendix B of the Compact.

8.7 DAILY DEPOSITS TO REVENUE ACCOUNT. MANAGER shall collect, receive, and receipt all gross sales, revenues, and any other proceeds connected with or arising from the operation of the Tribal Gaming Operation, the sale of all products, food and refreshments, and all other activities on the Site, and deposit them daily into the Revenue Account maintained jointly by the parties as soon as reasonably possible after the close of business for the day. All monies received by the Tribal Gaming Operation on each day it is open for business, less any amount necessary to restore the cash bank on the premises to its required amount, must be delivered daily to a bonded courier service for deposit in the bank by the bonded courier service prior to the close of the next banking day.

8.8 DAILY REPORTS; WEEKLY REPORTS. MANAGER shall provide the Executive Director with a report following each day of gaming which contains, at a minimum, the total amount of "drop, hold and win" from the gaming operation and Concession revenue, the total amount deposited, and the total amount remaining in the cash bank. Further, within two (2) days following the previous week, MANAGER shall provide the Executive Director with a weekly report which contains, at a minimum, the same types of information set forth in the daily reports.

8.9 MONTHLY REPORT AND PAYMENT DUE DATE. By the fifteenth (15th) day following the end of the previous calendar month of operation under this Agreement, MANAGER shall provide TRIBE with verifiable financial reports which include a statement of the gross revenues, Operating Expenses, Gaming Net Revenues and Non-Gaming Net Revenues of the Tribal Gaming Operation. The monthly report shall include a summary of payroll expenditures.

8.10 RETIREMENT OF DEVELOPMENT EXPENSES, PAYMENT OF EXPENSES AND COMPENSATION. In consideration of the performance of its duties by MANAGER as described herein, and in consideration of the contributions of TRIBE, the proceeds of the Tribal Gaming Operation shall be distributed in accordance with the following provisions:

(A) Time and Method of Payments. Within five days after MANAGER presents the monthly report required by Section 8.9 herein to TRIBE, the parties shall distribute MANAGER'S monthly payment in the form of a check from the Revenue Account payable to MANAGER. The parties shall distribute TRIBE'S monthly payment in the form of a check from the Revenue Account payable to TRIBE and delivered to the Clerk of TRIBE at the address for TRIBE set forth in Section 10.1 herein. In addition, any and all other funds advanced to the TRIBE, under this Agreement or any other related agreement, shall be paid to the Clerk of TRIBE.

(B) Guaranteed Monthly Minimum Payment. TRIBE, commencing on the date of commencement of any Gaming at the Facility (whether Class II Gaming, Class III Gaming or both), shall be entitled to a guaranteed monthly minimum payment which shall have preference over the

payment of the Development Expenses authorized pursuant to Section 8.10(C) herein and over the ment of all management fees specified in Section 8.10(D) herein. The amount of the initial guaranteed monthly minimum payment to TRIBE shall be Ten Thousand ($10,000.00) Dollars during the term of this Agreement, commencing on the first full month that the Tribal Gaming Operation is open for business. If the Tribal Gaming Operation opens for business on other than the first day of a calendar month, the guaranteed monthly minimum payment shall be prorated for that month.

The guaranteed monthly minimum payment shall be subject to Section 10.9 of this Agreement. In the event there are insufficient Tribal Gaming Operation funds to provide for the guaranteed monthly minimum payment, MANAGER shall advance the amount of money necessary to provide the guaranteed monthly minimum payment to TRIBE. In the event TRIBE becomes entitled to a Gaming Net Revenue and Non-Gaming Net Revenue distribution under Section 8.10(D) which is greater than the guaranteed monthly minimum payment amount, any outstanding amounts previously advanced to TRIBE by MANAGER to satisfy the guaranteed monthly minimum payment shall be reimbursed to MANAGER without interest from such funds prior to TRIBE'S receipt of such funds.

(C) Development Expenses. MANAGER shall be reimbursed by the TRIBE for the Development Expenses as set forth in Section 6.1(B) herein, as properly documented and verified by MANAGER to TRIBE, including interest accruing on the principal amount beginning when advanced (but in no event prior to the Effective Date) at the rate set forth in Section 6.1(B). Nothing herein shall be construed as an encumbrance or lien on said property to the benefit of MANAGER, authorizing MANAGER to seek the placement of an encumbrance or lien on the property which vested in the name of TRIBE or in the name of the United States of America in trust for TRIBE. MANAGER'S contribution of the Development Expenses incurred by MANAGER pursuant to Section 6.1(B) plus interest shall be repaid by the TRIBE as follows: (i) the Development Expenses up to and including the amount of Twelve Million Dollars ($12,000,000) shall be repaid with monthly payments by the Tribal Gaming Operation on behalf of the TRIBE from the Revenue Account in the amount of the Monthly Base Payment; and (ii) contemporaneously with the payments described in (i), any and all Development Expenses above Twelve Million Dollars ($12,000,000) shall be repaid with payments by the Tribal Gaming Operation from the Revenue Account on behalf of the TRIBE in the amount of Five Hundred Thousand Dollars ($500,000) per month until all principal and interest amounts are repaid in full. Such payments shall be made after the payment of TRIBE'S guaranteed monthly minimum payment and after the split of the Gaming Net Revenues and Non-Gaming Net Revenues, but prior to actual distribution to TRIBE of the remaining monies due TRIBE pursuant to the split (other than the guaranteed monthly minimum payment, which shall in no case be reduced). Such payments shall be deposited into a bank account designated by MANAGER, and shall continue until the Development Expenses, plus interest, incurred by MANAGER pursuant to Section 6.1(B) have been paid in full. Such payments may be prepaid without penalty by TRIBE at any time in TRIBE'S discretion.

(D) Compensation. During the term of this Agreement, TRIBE shall receive seventy-five percent (75%) of the Gaming Net Revenues (Cash Flow) and seventy-five percent (75%) of the Non-Gaming Net Revenues, which remain after all Operating Expenses (Cash Flow) payments have been made and prior to the payment of Development Expenses; provided that the guaranteed monthly minimum payment required by Section 8.10(B) herein shall be included in TRIBE'S seventy-five

percent (75%) share. MANAGER shall receive twenty-five percent (25%) of the Gaming Net Revenues (Cash Flow) and twenty-five percent (25%) of the Non-Gaming Net Revenues (Cash Flow), which remain after Operating Expenses payments have been made and prior to payment of Development Expenses; provided, however, that in no event shall such amount be greater than twenty-nine point nine percent (29.9%) of the Gaming Net Revenues (GAAP/Accrual) ("MANAGER'S GAAP Fee"). The total amount of all operating expenses of the Tribal Gaming Operation paid to the MANAGER (or other person or entity with a financial interest in this Agreement), including but not limited to the Management Fees and payments for training, shall not exceed 29.9% of the Gaming Net Revenues (GAAP/Accrual) of the Tribal Gaming Operation. Provided, further, that in the event that such 29.9% is exceeded, then TRIBE shall receive the remainder of funds (*i.e.*, in excess of the 29.9%) otherwise due to MANAGER for the month. Such 75%/25% division of the Gaming Net Revenues and the Non-Gaming Net Revenues shall continue throughout the term of this Agreement, irrespective of whether the Development Expenses have been repaid to MANAGER in full pursuant to Section 8.10(C).

8.11 ACCOUNTING AND BOOKS OF ACCOUNT.

(A) Table Games Revenue. All revenue from table games shall be recorded on a shift by shift basis for each gaming table. MANAGER shall maintain such records and provide them to the Executive Director on a daily basis.

(B) Bingo and Mini-Game Receipts. All revenue from bingo and related Class II games shall be recorded on a Session-by-Session basis. MANAGER shall maintain such records and provide them to the Executive Director on a daily basis. MANAGER shall maintain and provide TRIBE with an adequate accounting acceptable to TRIBE and MANAGER for income from Mini-Games pursuant to generally accepted accounting principles.

(C) Cash Register Revenue Receipts. Receipt forms for all revenue from Concessions shall be based upon a cash register system. All transactions shall be recorded on a receipt given to the customer and on a duplicate tape or electronic storage media inside the cash register. The following information shall appear upon the receipt and duplicate tape or electronic storage media: the name of the Tribal Gaming Operation operating the activity; the date the transaction took place; the receipt number; the amount of money paid, or a description of other consideration paid for the opportunity to play. The cash register receipt rolls or electronic storage media maintained in the machine showing those transactions shall be retained with the records of the Tribal Gaming Operation for a period of not less than five (5) years.

(D) Internal Revenue Service Reporting. MANAGER shall be responsible for compliance with the Internal Revenue Service Code of 1986, as amended, including Sections 1441, 3402(q), 6041 and 6050 I and Chapter 35 of such Code, requirements concerning the reporting and withholding of taxes with respect to the winnings from the Tribal Gaming Operation.

(E) Tribe's Designated Agent Responsible for Financial Oversight. The Tribal Gaming Commission and the Executive Director shall be responsible for oversight of compliance with this Agreement, and of MANAGER'S records, pursuant to the Ordinance and the Compact. MANAGER shall permit the Executive Director employed by TRIBE to have full, immediate and unrestricted access to the operations of the Tribal Gaming Operation, and the right to verify the daily gross revenue and income of the Tribal Gaming Operation, including without limitation the right to install, at TRIBE's sole expense, an electronic surveillance system and to employ personnel to operate such system and to make reports directly to the Tribal Gaming Commission, the right to attend all gaming activities, inspect the cash register receipt system, inspect inventory, be present when receipts are counted, and participate in all aspects of the operation for monitoring purposes.

(F) Monthly Statements. MANAGER shall provide monthly statements to the Tribal Gaming Commission showing revenues and expenses of the gaming operation as attachments to the monthly payment to TRIBE, as required in Section 8.9 herein. MANAGER shall, in addition, prepare a monthly reconciliation of the MANAGER'S GAAP Fee to the Management Fee, calculated pursuant to Section 8.10(D) for review by the Executive Director.

(G) Records. MANAGER shall maintain full and accurate books of account at its principal office. The books shall be kept on an accrual basis, and the records shall be prepared and maintained by using generally accepted accounting principles. The Tribal Gaming Commission, including the Executive Director, shall have full, immediate and unrestricted access to, and the full, immediate and unrestricted right to inspect and examine all books and financial records concerning the Tribal Gaming Operation at all times.

(H) Accounting Services. MANAGER shall hire a certified public accounting firm to perform accounting services for the Tribal Gaming Operation, provided that the form and manner of maintenance of the books of account for the Tribal Gaming Operation are consistent with generally accepted accounting principles. Such accounting services shall be an Operating Expense.

(I) Audit. An independent audit by a certified public accountant selected by TRIBE shall be performed annually, and shall meet the standards of 25 C.F.R. § 571.12. Such audit costs shall be an Operating Expense. TRIBE, at its own expense, shall have the right at any time to secure an independent audit of the Tribal Gaming Operation. All contracts for supplies, services or concessions for a contract amount in excess of Twenty-five Thousand Dollars ($25,000) annually relating to such gaming shall be subject to such independent audits. TRIBE and MANAGER agree that any underpayments or overpayments of the Management Fee vis a vis the limits set forth in Section 8.10(D), based upon the calculations of the MANAGER'S GAAP Fee, will either be refunded to TRIBE or paid to MANAGER, with interest at a rate equal to the prime rate of Citibank plus one percent (1%), within sixty (60) days after the annual audit.

(J) Compact/Miscellaneous. The accounting, books of account and audits of the Tribal Gaming Operation shall conform to the requirements of the Compact, in particular

Section 3 and Appendices "B" and "C" thereof. Further, MANAGER shall provide for the establishment and maintenance of satisfactory accounting systems and procedures, as required by 25 C.F.R. § 531.1(c), that shall (i) include an adequate system of internal accounting controls; (ii) be susceptible to audit; (iii) permit the calculation and payment of the Management Fees; and (iv) provide for the allocation of operating expenses among TRIBE, MANAGER and any other user of shared facilities.

8.12 INSURANCE AND BONDS. MANAGER shall obtain public liability insurance in the amount of at least Fifty Million Dollars ($50,000,000) per occurrence for all activities on the subject property. MANAGER shall also keep the buildings, improvements, and contents therein insured for their full replacement value against loss or damage by fire, with extended coverage endorsement to include robbery, theft, malicious mischief and vandalism coverage. The exact nature and extent of such coverage shall be jointly agreed upon by the parties. TRIBE and MANAGER shall be named as the insured in all policies to the extent of their interests and MANAGER shall supply written evidence of such coverage to TRIBE and to the Commission. The costs of said insurance shall be deemed a part of the Operating Expenses of the Tribal Gaming Operation.

8.13 SUBCONTRACTS; ASSIGNMENTS. MANAGER may, with the written consent of the Tribal Gaming Commission, subcontract with other businesses to provide non-gaming services directly related to the operation of the Tribal Gaming Operation; provided, however, that no subcontract or assignment shall transfer or in any other manner, convey any interest in land or other real property. All subcontracts for supplies, services and concessions for a contract amount in excess of Twenty-five Thousand Dollars ($25,000) shall be subject to independent audit pursuant to the requirements of 25 U.S.C. § 2710(b)(2)(D). All vendors under such subcontracts shall comply with the provisions of Section 6(k) of the Compact. This Agreement shall be assignable by MANAGER with the consent of TRIBE, subject to the approval of the Chairman pursuant to 25 C.F.R. § 535.2.

SECTION 9. DISCLOSURES AND WARRANTIES

9.1 PROVISION OF INFORMATION TO THE COMMISSION AND THE STATE OF NEW YORK. MANAGER agrees to provide all information required by the Indian Gaming Regulatory Act, 25 U.S.C. § 2711 and 25 C.F.R. Part 533 to TRIBE for transmission to the Secretary or his authorized representative, and/or the Chairman or his authorized representative as soon as practicable after the date of execution of this Agreement. MANAGER shall also provide all information as required from time to time by the Compact to the gaming agency of the State of New York.

9.2 DISCLOSURES REGARDING PERSONS HAVING DIRECT OR INDIRECT FINANCIAL INTEREST IN CONTRACT. Pursuant to 25 C.F.R. Part 537, all persons having a direct or indirect financial interest in this Agreement and all persons having a management responsibility, and all information regarding said persons which is required by such regulations, are listed in Attachment I hereto.

9.3 APPROVAL OF CHANGE IN OPERATIONAL CONTROL OF MANAGER. Any changes in the operational control of MANAGER and any changes in persons with a financial interest in or management responsibility for this Agreement, including without limitation any change

in the ownership of MANAGER in which any person or entity not previously disclosed pursuant to Section 9.2 herein becomes a partner of MANAGER, shall be submitted as a modification of this Agreement for written approval of TRIBE and the Chairman of the Commission under 25 C.F.R. Part 535. Approval of any such change in control or ownership of MANAGER must be preceded by a complete background investigation of such person or entity.

9.4 FINANCIAL INTERESTS. MANAGER shall comply with the provisions of 25 C.F.R. Part 537.

9.5 BACKGROUND INVESTIGATIONS. MANAGER agrees that all parties in interest referenced in Section 9.2 herein shall be required to consent to background investigations to be conducted pursuant to the terms of IGRA, the Ordinance and the Compact. MANAGER shall require all Key Employees and Primary Management Officials to submit to such investigations prior to employment of said employees. All other employees of the Tribal Gaming Operation shall also submit to such investigations pursuant to the provisions of the Ordinance or Compact. MANAGER further agrees that all persons in interest listed in Section 9.2 herein shall disclose any information requested by TRIBE which would facilitate in the background and financial investigations and will cooperate fully with such investigations.

9.6 DISCLOSURE OF INFORMATION. Any false or deceptive disclosures or failure to cooperate fully with such investigations by an employee of MANAGER or an employee of the Tribal Gaming Operation shall result in the immediate dismissal of such employee. MANAGER agrees that whenever there is any change in the information disclosed pursuant to this Agreement, MANAGER shall immediately notify the Tribal Gaming Commission of such change not later than thirty (30) days following MANAGER'S actual knowledge of such change.

9.7 NO PAYMENT MADE. MANAGER hereby specifically represents that no payment whatsoever has been paid to any Elected Official of TRIBE or Relative of an Elected Official of TRIBE nor has promise of payment been made by MANAGER to any Elected Official of TRIBE or Relative of an Elected Official of TRIBE to secure, obtain or maintain this Agreement or any other privilege associated with this Agreement. No payments will be made in the future to such persons for the purpose of obtaining or maintaining this Agreement, or any other privilege associated herein.

9.8 NO PARTY INTEREST. MANAGER hereby specifically represents that no person or entity having a direct or indirect financial interest in, or management responsibility for this Agreement is an Elected Official of TRIBE or Relative of an Elected Official of TRIBE. In the event any person or entity having a direct or indirect financial interest in, or management responsibility for this Agreement becomes an Elected Official of TRIBE or Relative of an Elected Official of TRIBE, said person shall immediately divest himself of his interest in this Agreement.

SECTION 10. ENFORCEMENT AND TERMINATION OF AGREEMENT

10.1 NOTICE. To be effective, all notices, consents, agreements or other communications required or permitted hereunder shall be in writing. A written notice or other communication shall be deemed to have been given hereunder (i) if delivered by hand, when the

notifying party delivers such notice or other communication to all other parties to this Agreement, (ii) if delivered by telecopier or overnight delivery service, on the first business day following the date such notice or other communication is transmitted by telecopier or timely delivered to the overnight courier, or (iii) if delivered by mail, on the third business day following the date such notice or other communication is deposited in the U.S. mail by certified or registered mail addressed to the other party. Mailed or telecopied communications shall be directed as follows unless written notice of a change of address or telecopier number has been given in writing in accordance with this Section:

If to the MANAGER:	Massena Management, LLC ATTN: Ivan Kaufman, President 333 Earle Ovington Boulevard, Rm. 900 Uniondale, New York 11553 Telecopier No. (516) 832-8045
With a copy to:	Walter K. Horn, Esq. 333 Earle Ovington Boulevard, Rm. 900 Uniondale, New York 11553 Telecopier No. (516) 832-8045
If to TRIBE:	St. Regis Mohawk Tribe ATTN: Chief of the St. Regis Mohawk Tribe Community Building Hogansburg, New York 13655 Telecopier No. (518) 358-3203
With a copy to:	Dexter Lehtinen, Esq. Lehtinen, O'Donnell, Vargas & Reiner 7700 North Kendall Drive, Suite 303 Miami, Florida 33156 Telecopier No. (305) 279-1365

10.2 EXPIRATION OF TERM. The term of this Agreement shall expire upon the date five (5) years after the commencement of any Gaming at the Tribal Gaming Operation (whether Class II Gaming, Class III Gaming or both), unless mutually extended pursuant to Section 5.2.

10.3 VOLUNTARY TERMINATION OF AGREEMENT. This Agreement may be terminated upon mutual written consent of both parties.

10.4 TERMINATION DUE TO MATERIAL BREACH. Either party may terminate this Agreement, following the provisions for notice of cure required in Section 10.5 herein, if the

other party commits, or allows to be committed, any material breach of this Agreement. Notice of the termination shall be provided by TRIBE to the Chairman of the Commission within ten (10) days after termination. Material breach of this Agreement shall include, but not be limited to, the following:

(A) Subject to the provisions of Sections 10.5 and 10.9, breach of warranty or failure of either party to perform any material duty or obligation for a period of thirty (30) consecutive business days after the required date of performance as set forth by the terms of this Agreement;

(B) The conviction of any person or entity having a direct financial interest in, or management responsibility for this Agreement of any felony, of any crime involving any aspect of the gaming operation or involving a gaming law violation, or of any crime involving moral turpitude, by a court of competent jurisdiction;

(C) The dissolution, insolvency or bankruptcy of MANAGER;

(D) A final unappealable decision by the Commission of any material violation of IGRA;

(E) Revocation of or refusal to renew any license which may hereafter be required by TRIBE pursuant to applicable tribal law in effect at the time of issuance or renewal of the license, provided that such revocation or refusal to renew license shall be for cause. TRIBE shall not unreasonably seek such revocation and shall not unreasonably refuse to renew license, and shall provide MANAGER with due process at every phase of any proceeding relating to revocation of license or refusal to renew license; and

(F) Revocation of or refusal to renew any license which may hereafter be required by the State of New York pursuant to the Compact, provided that such revocation or refusal to renew license shall be for cause.

10.5 NOTICE PRIOR TO TERMINATION FOR MATERIAL BREACH. Neither party may terminate this Agreement on the grounds of a material breach unless (i) written notice is provided by the nondefaulting party to the alleged defaulting party identifying the nature of the material breach and its intention to terminate this Agreement, and (ii) the defaulting party fails to cure or take steps to substantially cure such breach within thirty (30) days after receipt of such notice. Discontinuance or substantial correction of the material breach within such thirty (30) day notice period shall constitute a cure thereof.

10.6 TERMINATION OR EXPIRATION OF AGREEMENT; DISPOSITION OF PROPERTY RECORDS, GAMING NET REVENUES AND NON-GAMING NET REVENUES. Upon the expiration of the term of this Agreement, or if this Agreement is terminated or the Tribal Gaming Operation ceases operations prior to the expiration of the term of this Agreement or is ordered to cease operations by a court of competent jurisdiction, all funds contained in the Daily Expense Account, the Payroll Account and the Prize Account shall be transferred into the Revenue Account, and all financial records, including financial reports, lists of inventory, bank

statements, canceled checks, prize receipts, and all other financial records required to be kept by MANAGER pursuant to this Agreement shall be immediately placed in the possession of TRIBE. Following an audit of the Tribal Gaming Operation by an independent certified public accountant, and satisfaction by TRIBE and MANAGER that all Operating Expenses and Development Expenses, plus interest, for the Tribal Gaming Operation have been paid, TRIBE shall distribute to MANAGER the remaining Gaming Net Revenues and Non-Gaming Net Revenues accrued as of the date of the cessation of operations payable to MANAGER in accordance with the provisions of this Agreement. The terms and conditions contained in this Section shall survive any termination of this Agreement.

10.7 TERMINATION FOR CAUSE; RETURN OF MANAGER'S FINANCIAL CONTRIBUTIONS. In the event this Agreement is terminated for cause due to the fault of either party and MANAGER has not been repaid by TRIBE for the Development Expenses, plus interest, pursuant to Section 8.10(C) herein, then and in that event, TRIBE shall make monthly payments to MANAGER of the Monthly Base Payment and any additional payments of Five Hundred Thousand Dollars ($500,000) per month as set forth in Section 8.10(C) herein, from TRIBE'S share of "net revenues" (as defined by IGRA and the regulations thereunder) and non-gaming related net revenues from any gaming enterprise within TRIBE'S jurisdiction, if any, until MANAGER has been repaid the total Development Expenses, plus interest, advanced by MANAGER. The terms and conditions contained in this Section shall survive any termination of this Agreement.

10.8 RESOLUTION OF DISPUTES; LIMITED WAIVER OF SOVEREIGN IMMUNITY. TRIBE and MANAGER hereby covenant and agree that they each may sue or be sued to enforce or interpret the terms, covenants and conditions of this Agreement or to enforce the obligations or rights of the parties hereto in accordance with the terms and conditions set forth in this Section.

(A) Forum. Any action with regard to a controversy, disagreement or dispute between the TRIBE and MANAGER arising under this Agreement shall be brought before the appropriate United States District Court. In the event such federal court should determine that it lacks subject matter jurisdiction over any such action, such action shall be brought before the appropriate state court.

(B) Waiver of Tribal Remedies. TRIBE hereby expressly waives any right to proceed before any tribal court or authority of TRIBE and further expressly waives any right which it may possess to require MANAGER to exhaust tribal remedies prior to bringing an action in federal court or state court as provided above.

(C) Limited Waiver of Sovereign Immunity. TRIBE hereby specifically and expressly waives its sovereign immunity from suit to the extent necessary to allow MANAGER to bring any action at law or in equity to enforce or interpret the terms and conditions of this Agreement, including without limitation the right to obtain injunctive relief and/or monetary damages as determined by a court of competent jurisdiction and to the extent necessary to allow MANAGER to bring any action at law or in equity to challenge, contest or interpret any laws, ordinances, regulations, licensing procedures or enactments of any sort by TRIBE which relate to or affect in any way the ability of MANAGER to engage in gaming under this Agreement, including without limitation the right to obtain injunctive

relief and/or monetary damages as determined by a court of competent jurisdiction. Nothing contained in this Agreement shall be construed as waiving sovereign immunity in any suit for payment of damages from lands or funds held in trust for TRIBE by the United States.

(D) Survival. The waivers contained in this Section shall survive any termination of this Agreement.

10.9 FORCE MAJEURE; INTERRUPTION OR FRUSTRATION OF PURPOSE OF THIS AGREEMENT.

(A) Force Majeure. Neither TRIBE nor MANAGER shall be considered in default or in breach of any terms or conditions of this Agreement in the event performance of one or both of such parties' obligations hereunder is delayed because of an unforeseeable cause beyond the parties' control and without the parties' fault and/or negligence, including, but not limited to, acts of God, earthquakes, weather, war, riots, acts of a public enemy, acts of the federal government, acts of the state government, acts of another party, fines, floods, epidemics, strikes, or for delays of any suppliers due to such causes. In the event of any such delay at any time, the completion or delivery under this Agreement shall be extended for the period of such delay upon written notice from the party seeking the extension to the other party.

(B) Interruption or Frustration of Purpose of this Agreement. In the event any governmental entity by means of police, judicial, legislative or administrative action, whether federal, state, county, municipal or tribal, or any group of individuals through the use of force or physical intimidation effectively inhibit regularly scheduled gaming activities from proceeding on a reoccurring basis, MANAGER may, in its judgment, suspend the performance of its obligations hereunder for such time as the Tribal Gaming Operation is so prevented from operating. If Tribal Gaming Operation is not permitted to operate for any period of time exceeding fourteen (14) days, then no payment whatsoever shall be made to TRIBE or MANAGER from the Gaming Net Revenues and/or the Non-Gaming Net Revenues. If such interruption, which in the opinion of either party hereto, effectively prevents the Tribal Gaming Operation from regularly engaging in the business intended hereunder, it is agreed that legal counsel shall be engaged, the selection of which shall be jointly agreed upon by TRIBE and MANAGER (such cost and expense for counsel shall be deemed an Operating Expense of the Tribal Gaming Operation) to defend the interests of MANAGER and TRIBE.

In the event at any time during the term of this Agreement such counsel advises that, in its legal opinion, neither TRIBE nor MANAGER is likely to prevail in legal proceedings or it is impractical to continue the venture as contemplated hereunder, the purpose of this Agreement shall be deemed to be frustrated. If, at the time such decision is made, the premises for Tribal Gaming Operation have been partially completed or substantial monies have been committed or expended in anticipation of construction, TRIBE and MANAGER hereby covenant and agree to modify this Agreement and the use of Site to convert the Tribal Gaming Operation into another economic enterprise, of a nature suitable to MANAGER and not inconsistent with TRIBE'S known social, cultural and economic needs in order to recoup Development Expenses, plus interest, in accordance

with the percentages to be negotiated between TRIBE and MANAGER for the balance of the term of this Agreement or as per the agreement of the parties hereto.

The preceding paragraph shall not constitute a transfer or assignment of any present interest in land to MANAGER, nor shall it be considered an alienation of the ownership interest of TRIBE.

SECTION 11. EFFECTIVE DATE; MISCELLANEOUS

11.1 EFFECTIVE DATE. This Agreement shall be effective and binding as of date of the approval of this Agreement by the Chairman of the Commission, as provided by 25 C.F.R. § 531.1(N). The final approval of this Agreement shall be subject to the submission by MANAGER of financing acceptable to the Commission and MANAGER.

11.2 CONSENT. Whenever the consent of a party shall be required to be obtained by the other party under any provision of this Agreement, such consent shall not be unreasonably withheld.

11.3 INTEGRATION. This Agreement embodies the entire agreement and understanding among the parties hereto relating to the subject matter hereof and supersedes all prior agreements, understandings, representations, and discussions, including without limitation the Memorandum of Understanding.

11.4 AMENDMENT. TRIBE and MANAGER shall not amend, modify, or waive any provision of this Agreement without the written consent of both parties unless expressly permitted under the terms of this Agreement.

11.5 SEVERABILITY. If any one or more of the provisions contained in this Agreement, or any application hereof, shall be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

11.6 GOVERNING LAW. This Agreement shall be governed by the laws of the United States of America, and where such laws are nonexistent or inapplicable, the laws of the State of New York.

11.7 COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which together shall constitute one and the same instrument.

11.8 SURVIVAL. The terms and conditions contained in Sections 11.1 through 11.8 shall survive any termination of this Agreement.

TRIBE represents and warrants that the terms and conditions of this Agreement shall become binding and enforceable upon TRIBE upon the execution of this Agreement by the Chief of TRIBE and the members of the St. Regis Mohawk Tribal Council pursuant to Resolution No. TCR 97-119 of the Tribal Council.

Dated: November 7, 1997

THE ST. REGIS MOHAWK TRIBE

By: _____
Edward Smoke, Tribal Chief Executive

Dated: November 7, 1997

PRESIDENT R.C.- ST. REGIS MANAGEMENT COMPANY
By: Massena Management, LLC, Managing General Partner

By: _____
Ivan Kaufman, President

LOAN AGREEMENT

between

PRESIDENT R.C. — ST. REGIS MANAGEMENT COMPANY

and

MILLER & SCHROEDER INVESTMENTS CORPORATION

Dated as of February 24, 1999

Asmus Aff.,
Ex. D

TABLE OF CONTENTS

(This Table of Contents is not part of this Loan Agreement and is for convenience of reference only)

LOAN AGREEMENT

LOAN AGREEMENT (this "Agreement") dated as of February 24, 1999, between PRESIDENT R.C. — ST. REGIS MANAGEMENT COMPANY (hereinafter called the "Borrower"), a New York general partnership (the "Borrower") and MILLER & SCHROEDER INVESTMENTS CORPORATION (the "Lender"), a Minnesota corporation.

RECITALS:

WHEREAS, the Borrower and St. Regis Mohawk Tribe, a federally recognized Indian tribe (the "Tribe"), have entered into a Fourth Amended and Restated Management Agreement dated November 7, 1997, and Addendum thereto (the "Management Agreement"), whereby the Borrower will develop and manage a gaming facility on the Tribe's reservation, and the Tribe will make monthly payments to the Borrower relating to (i) repayment of costs of the development, with interest, and (ii) payment of a management fee;

WHEREAS, the Borrower has requested that the Lender lend to the Borrower the sum of $8,690,000 in order to finance a portion of the development expenses of the Tribe's gaming facilities;

WHEREAS, the Lender has agreed to lend to the Borrower the sum of $8,690,000 to be used for such purposes pursuant to a promissory note executed by the Borrower and on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing Recitals and the terms and conditions set forth below, the parties hereto agree as follows:

Section 1. Definitions.

1.01. Specific Definitions. As used herein, the following terms shall have the following meanings:

"Accountant": any Person who is a certified public accountant employed or retained by the Borrower and acceptable to the Lender.

"Business Day": any day, other than a Saturday, a Sunday, or a legal holiday on which national banks are not open for business in Minnesota or New York.

"Closing Date": the date on which the Lender makes the Loan pursuant to Section 2.01.

"Completion Date": June 1, 1999, or such later date agreed to by the Lender.

"Debt": collectively, in respect of any Person, any of the following:

(a) all indebtedness of such Person, whether or not represented by bonds, debentures, notes or other securities, for the repayment of money borrowed;

(b) the principal of in respect of: (i) any indebtedness of such Person for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such person or only a portion thereof); or (ii) indebtedness of such Person evidenced by bonds, notes, debentures or similar instruments or letters of credit;

(c) all deferred indebtedness for the payment of the purchase price of property or assets purchased; all obligations of such Person representing the balance deferred and unpaid of the purchase price of any property or interest therein or in respect of conditional sales, if and to the extent such obligations would appear as a liability upon a balance sheet of such Person prepared on a consolidated basis in accordance with GAAP, except any such obligation that constitutes a trade payable in the ordinary course of business in connection with obtaining goods, materials or services;

(d) all guaranties, endorsements (other than endorsements of negotiable instruments for deposit in the ordinary course of business), assumptions and other contingent obligations in respect of, or to purchase or otherwise acquire, indebtedness of others; reimbursement obligations of such person with respect to letters of credit and bankers acceptances or similar credit obligations;

(e) all obligations under interest rate protection agreements, foreign currency hedges and similar agreements;

(f) all indebtedness secured by any mortgage, pledge or lien existing on property owned, subject to such mortgage, pledge or lien, whether or not the indebtedness secured thereby shall have been assumed;

(g) all installment purchase contracts, loans secured by purchase money security interests and lease-purchase agreements or capital leases (including leases of real property) in each case computed in accordance with generally accepted accounting principles;

(h) any obligation of the Person (whether are not classified as indebtedness under generally accepted accounting rules, including an

operating lease) entered into for the purpose of directly or indirectly supporting, credit enhancing or paying any Debt of another Person, including any agreement to purchase any asset or obligation and any room rate, occupancy, or operating guaranty; and

(i) a guaranty or agreement by such Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, primary or contingent, in any manner of any part or all of the obligations of another person of the type described in clauses (a) through (h) above.

"Development Expenses": as such term is defined in the Management Agreement.

"Environmental Audit": the following documents all prepared or managed by the Persons specified below for the Borrower, the Tribe or prior owners of the Premises: Phase I Report Environmental Site Assessment of Route 37/Route 95 Hogansburg, New York, January 1999, prepared by URS Greiner Woodward Clyde, Inc.

"Environmental Laws": any applicable law relating to the environment, including, without limitation, those relating to releases, discharges or emissions to air, water, land or groundwater, to the withdrawal or use of groundwater, to the use and handling of polychlorinated biphenyls or asbestos, to the disposal, treatment, storage or management of Hazardous Substances or to exposure to toxic or hazardous materials, to the handling, transportation, discharge or release of gaseous or liquid Hazardous Substances and any regulation, order, notice or demand issued pursuant to such law, statute or ordinance, in each case applicable to the property of the Borrower or its affiliates, if any, including without limitation, if applicable, the following: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and the Hazardous and Solid Waste Amendments of 1984, the Hazardous Materials Transportation Act, as amended, the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1976, the Safe Drinking Water Act, the Clean Air Act, as amended, the Toxic Substances Control Act of 1976, the Occupational Safety and Health Act of 1977, as amended, the Emergency Planning and Community Right-to-Know Act of 1986, the National Environmental Policy Act of 1975, the Oil Pollution Act of 1990, and any similar or implementing federal or state law, and any federal or state statute and any further amendments to these laws providing for financial responsibility for cleanup or other actions with respect to Hazardous Substances.

"Equipment Note": the Promissory Note, dated the date hereof, in the aggregate principal amount of $3,492,000, payable to the order of the Lender.

"Escrow Agent": U.S. Bank Trust National Association, a national banking association with offices in St. Paul, Minnesota.

"Escrow Agreement": the Escrow Agreement, dated as of the date hereof, by and between the Borrower, the Lender and the Escrow Agent as the same may from time to time be amended or supplemented in accordance with the terms thereof.

"Event of Default": as such term is defined in Section 7.

"Facility": as such term is defined in the Management Agreement.

"Final Maturity Date": February 20, 2001.

"Force Majeure": acts of God, fire, windstorm, flood, explosion, collapse of structure, riot, war, labor disputes, delays or restrictions by government bodies (other than the Tribe), inability to obtain or use necessary materials, or any other cause beyond the reasonable control of the Borrower.

"GAAP": generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of any date of determination.

"Gaming Commission": the St. Regis Mohawk Tribal Gaming Commission.

"Gaming Ordinance": the St. Regis Mohawk Tribal Gaming Ordinance, adopted December 16, 1993, as amended from time to time.

"Gaming Regulations": all state, federal and tribal laws, ordinances, rules, regulations and orders pertaining to the operation of a casino or the presence or use of gaming devices or the operation of gaming or gambling on or at the Facility, whether now or hereafter adopted or in effect.

"Government Authority": any government body or regulatory authority having jurisdiction over the Borrower, the Tribe or the Facility.

"Governmental Requirements": all laws, statutes, codes, ordinances and government rules, regulations and requirements applicable to the Borrower, the Lender, the Tribe and the Facility.

"Hazardous Substance": any hazardous or toxic material, substance or waste, pollutant or contaminant which is regulated under any applicable statute, law, ordinance, rule or regulation of any Government Authority with jurisdiction over the Premises, or its use, including but not limited to any material substance or waste which is (a) defined as a hazardous substance under any Environmental Laws; (b) a petroleum hydrocarbon, including crude oil or any fraction thereof and all petroleum products; (c) PCBs; (d) lead; (e) asbestos; (f) flammable explosives; (g)

infectious materials; (h) radioactive materials; or (i) defined or regulated as a hazardous substance or hazardous waste under any rules or regulations promulgated under any of the foregoing Environmental Laws.

"IGRA": the Indian Gaming Regulatory Act, Public Law 100-497, as such Act may be amended from time-to-time.

"Knowledge": when used in reference to the Borrower, shall include the knowledge of any current officer or director of either of the general partners of the Borrower (other than any suspended officer or director) and the knowledge of any current employee of the Borrower in good standing who in the ordinary course of Borrower's business, consistent with its past practice, would customarily have access to such type of information.

"License": as such term is defined in Section 4.10.

"Lien": any security interest, mortgage, pledge, lien, charge, encumbrance, title retention agreement or analogous instrument, in, of, or on any assets or properties, whether now owned or hereafter acquired, whether arising by agreement or operation of law, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"Loan": as such term is defined in Section 2.01.

"Loan Documents": this Agreement, the Note, the Escrow Agreement, the Notice of Pledge, and all agreements, instruments and documents heretofore, herewith or hereafter executed and delivered by the Borrower or any other Person pursuant to, or in connection with, the Loan evidenced by this Agreement.

"Management Agreement": the Fourth Amended and Restated Management Agreement dated November 7, 1997, between the Tribe and the Borrower, and the Addendum thereto, as the same may be permitted to be amended from time to time.

"Maximum Annual Debt Service Requirement": the highest amount of Senior Debt Service payable for the then current or any succeeding fiscal year; provided, however, that with respect to Senior Debt bearing interest at a variable or floating rate, Senior Debt Service shall be calculated by assuming that the interest rate borne by such Senior Debt is equal to the rate of interest then applicable, if such Senior Debt has been outstanding for less than one year, or the average rate of interest applicable during the immediately preceding twelve (12) months, if such Senior Debt has been outstanding for one year or more.

"Monthly Payment Date": the twentieth day of each month, beginning with March, 1999.

"Monthly Service Charges": the principal, interest, servicing fees and other fees and charges due with respect to the Note during each month.

"Note": the Promissory Note, in the aggregate principal amount of $8,690,000, payable to the order of the Lender, in the form attached hereto as Exhibit A, and all renewal or replacement notes therefor.

"Notice of Pledge": the Notice and Assignment of Pledge, dated February 12, 1999, between the Borrower, the Lender and the Tribe.

"Person": any natural person, corporation, partnership, joint venture, firm, association, trust, unincorporated organization, limited liability company, government or governmental agency or political subdivision or any other entity, whether acting in an individual, fiduciary or other capacity.

"Pledged Revenues": all payments of (i) management fees and (ii) repayment of Development Expenses, together with interest thereon at the rate provided in the Management Agreement, required to be made by the Tribe to the Borrower pursuant to the Management Agreement.

"Pledged Revenues Fund": the Pledged Revenues Fund established by the Escrow Agent pursuant to the terms of the Escrow Agreement.

"Premises": the parcel or parcels of land located on the Tribe's reservation on which the Facility is located, and the parcel owned by the Tribe adjacent thereto which provides access to State Route 37.

"Senior Debt": the Note, the Equipment Note and any other Debt secured by a Lien on the Pledged Revenues on a parity with the Lien thereon of the Equipment Note.

"Senior Debt Service": for any time period, the aggregate of the payments to be made in respect of principal (whether by maturity, amortization or mandatory sinking fund redemption), interest, servicing fees and, without duplication, lease payments on outstanding Senior Debt.

"Termination Date": the date on which the Loan has been completely repaid pursuant to Section 2.

"Transfer": any sale, pledge, assignment, mortgage, encumbrance, security interest, consensual Lien, hypothecation, transfer or divestiture, the effect of which is to grant another an interest in the Facility or any portion thereof, either directly or indirectly, including an interest taken as security. Any change in the legal or equitable title of the Facility or in the beneficial ownership

of the Facility whether or not of record and whether or not for consideration shall be deemed a Transfer.

1.02. Certain Other Terms. For purposes of this Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with generally accepted accounting principles.

Section 2. The Loan.

2.01. Loan. The Lender, on the terms and conditions stated herein, shall lend to the Borrower a principal amount of $8,690,000 (the "Loan"), by paying to the Borrower the amount set forth in the closing statement dated the Closing Date. The Loan shall be evidenced by the Note.

2.02. Interest; Repayment.

(a) Interest on the unpaid principal balance of the Note from time to time outstanding (computed on a year of 360 days and twelve thirty-day months) shall accrue from the Closing Date and shall be payable at the applicable per annum rate therein provided. Interest on the Note, accrued through the day preceding each Monthly Payment Date, shall be payable by the Borrower upon the related Monthly Payment Date. Accrued and unpaid interest shall also be payable upon prepayment in full of the Note, and upon maturity of the Note.

(b) Commencing on June 20, 1999, and continuing on each Monthly Payment Date thereafter to and including the Final Maturity Date, the unpaid principal balance of the Note shall be payable in equal monthly installments of principal and interest sufficient to amortize fully the unpaid principal balance thereof by the Final Maturity Date.

(c) In the event any monthly installment payment of the principal of or interest on or servicing fees with respect to the Note is not paid when due (whether on the date scheduled therefor, upon acceleration, or otherwise) the Borrower shall pay a late charge equal to four percent (4.0%) of such late payment, but in no event shall such late charge exceed the maximum amount permitted by applicable law, to defray the costs of the Lender incident to collecting such payment.

2.03. Prepayments. In the event the Tribe exercises its option under the Management Agreement to repay the Development Expenses in whole or in part, with interest, in advance of the dates due, the Borrower shall prepay the principal outstanding under the Note and/or the principal outstanding under the Equipment Note in an amount equal to the amount prepaid by the Tribe, without penalty. The Borrower also shall have the right to prepay the principal outstanding under the Note at its option from time to time, in whole or in part without penalty. All partial prepayments shall be applied pro rata based on the unpaid principal balance of the Note first to accrued interest

and servicing fees and then to the principal balance of the Note, in an amount at least equal to $100,000 and (ii) upon prepayment in full, interest accrued to the prepayment date shall be paid on such prepayment date. Any optional prepayment must be made on a Monthly Payment Date and must be preceded by at least fifteen (15) days' prior written notice to the Lender. No prepayment shall postpone the due dates or reduce the dollar amount of the monthly installment payments due pursuant to the terms of the Note.

2.04. Servicing Fee. A servicing fee on the unpaid principal balance of the Note from time to time outstanding (computed on the same basis as interest pursuant to Section 2.02(a)) shall accrue with respect to principal from the Closing Date at a per annum rate equal to one-fourth of one percent (0.25%) until May 20, 1999, and thereafter at a per annum rate equal to one-eighth of one percent (0.125%). Such servicing fee shall be payable by the Borrower to the Lender on each Monthly Payment Date and any accrued but unpaid servicing fee shall also be payable upon prepayment in full of the Note and upon maturity of the Note.

2.05. Payments. All payments and prepayments by the Borrower of principal of and interest on the Note, all servicing fees and other fees and expenses, and other obligations under this Agreement payable to the Lender, shall be paid on the date due by wire transfer to the Lender. If any payment or prepayment of principal of or interest on the Note or any servicing or other fee payable hereunder becomes due and payable on a day which is not a Business Day such payment shall be made on the next succeeding Business Day with the same force and effect as if made on the scheduled payment or prepayment date, and without additional interest or servicing fees accruing thereon.

2.06. Application of Payments. So long as an Event of Default does not exist, all payments shall be applied first to any costs of collection, then to late charges, then to interest and servicing fees and then to the principal outstanding under the Note, except that if any advance made by the Lender under the terms of any instruments securing the Note is not repaid, any monies received, at the option of the Lender, may first be applied to repay such advances, plus interest hereon, and the balance, if any, shall be applied as above. If an Event of Default exists, the Lender may apply any payments received to principal, interest, servicing fees, late charges or other amounts due from the Borrower in such order as Lender, in its sole discretion shall determine.

Section 3. Security. As security for the payment and performance of all payment and other obligations of the Borrower pursuant to the Note and this Agreement, the Borrower hereby pledges and grants a first and prior security interest to the Lender in the Pledged Revenues. Pursuant to the Notice of Pledge, the Borrower has directed the Tribe to pay all Pledged Revenues to an escrow agent designated by the Borrower and the Lender. The Borrower and the Lender hereby agree that the Tribe shall be further directed to pay all Pledged Revenues to the Escrow Agent for deposit in the Pledged Revenues Fund created pursuant to the Escrow Agreement.

Section 4. Representations and Warranties. The Borrower represents and warrants to Lender that:

4.01. Organization, Powers, Etc. (a) The Borrower is a New York general partnership, duly organized and existing under its partnership agreement; (b) the Borrower has full power and authority to own its properties and to carry on its business as presently conducted; and (c) the Borrower has the power to execute, deliver and perform the Management Agreement and the Loan Documents.

4.02. Authorization of Borrowing, Etc. The execution, delivery and performance of the Loan Documents and the borrowings hereunder have been duly authorized by all requisite action of the Borrower and each of the general partners of the Borrower and will not violate any provision of law, any order of any court or other agency of government, the partnership agreement of the Borrower, or any provisions of any indenture, agreement or other instrument to which the Borrower or either of its general partners is a party or by which it or any of its properties is bound. The Loan Documents to which the Borrower is a party constitute the legal, valid and binding obligations of the Borrower, enforceable against it in accordance with their respective terms (subject to limitations as to enforceability which might result from bankruptcy, insolvency, or other similar laws affecting creditors' rights generally and subject to general equitable principles and Gaming Regulations).

4.03. Consents and Approvals. The authorization, execution and delivery of the Loan Documents are not and will not be subject to the jurisdiction, approval or consent of, or to any requirement of registration with or notification to, any Government Authority, other than, the Tribe and the Secretary of the Interior, Bureau of Indian Affairs and/or the National Indian Gaming Commission.

4.04. Litigation. Except as set forth in Exhibit C, there are no actions, suits or proceedings pending, or to the actual Knowledge of the Borrower threatened, against or affecting it, or to the actual Knowledge of the Borrower, the Tribe or the Facility, or involving the validity or enforceability of the Management Agreement or any of the Loan Documents or the priority of the lien thereof, or any basis therefor, at law or in equity, or before or by any Government Authority, except actions, suits and proceedings which, if adversely determined (i) would not have a material adverse effect on the condition (financial or otherwise), business, properties or assets of the Borrower or the Tribe, but solely with respect to its interest in and operation of the Facility, or (ii) would not substantially impair the ability of Borrower to perform each and every one of its obligations under and by virtue of the Loan Documents; and it is not in default with respect to any order, writ, injunction, decree or demand of any court or any Government Authority. To the actual Knowledge of the Borrower, there has not been any submission or call for a vote of the members of the Tribe on any ordinance, resolution or other matter pertaining to the Management Agreement, the Notice of Pledge or the Facility.

4.05. Compliance With Law. No consent, approval or authorization of, or registration, declaration or filing with, any Government Authority which has not been obtained is required on the part of the Borrower in connection with the execution and delivery of the Loan Documents or the compliance with the terms, provisions or conditions thereof, or, if so required, such consent, approval or authorization has been requested and/or obtained. To the Knowledge of

the Borrower, the Borrower is not in violation of or subject to any contingent liability on account of any statute, law, rule, ordinance, order, writ, injunction or decree. To the actual Knowledge of the Borrower, the Tribe is not in violation of or subject to any contingent liability on account of any statute, law, rule, ordinance, order, writ, injunction or decree.

4.06. Financial Statements. The financial statements of the Borrower that have been presented to the Lender fairly present the financial position thereof as of such dates and the results of operations for the periods shown and have been prepared in accordance with GAAP. There have been no material adverse changes in the condition, financial or otherwise, of the Borrower, since the date of the most recent financial statements presented to the Lender.

4.07. True and Correct Information. All financial and other information provided to the Lender by the Borrower in connection with the Borrower's request for the Loan are true and correct in all material respects and, as to projections or valuations, present a good faith opinion as to such projections and valuations.

4.08. Loan Not for Purpose of Margin Stock. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of the Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

4.09. Loan Not to Acquire a Security. No proceeds of the Loan will be used to acquire any security in any transaction which is subject to Sections 13 and 14 of the Securities Exchange Act of 1934.

4.10. Licenses; Investigations; Compliance.

(a) Licenses. The Borrower has all requisite power and authority and now holds, or will hold prior to the date necessary in order to operate the Facility, all necessary licenses, authorizations, approvals, permits, franchises, consents, privileges, waivers and certificates to operate the Facility ("Licenses"). Each such License which is necessary to the operation of the Facility will be validly issued and in full force and effect, and the Licenses will constitute in all material respects, all of the authorizations necessary for the operation of the Facility, in the manner as it is contemplated to be conducted. The Borrower has fulfilled and performed all of its obligations with respect thereto which are capable of being performed as of the date hereof, and complete and correct copies of all material Licenses now in effect have been delivered to Lender. No event has occurred which: (1) results in, or after notice or lapse of time or both would result in, suspension, surrender, failure to renew, revocation or termination of any material License; or (2) materially and adversely affects or in the future may (so far as the Borrower can now reasonably foresee) materially adversely affect any of the rights of the Borrower thereunder.

(b) Investigations. Except as described in Exhibit C, the Borrower is not a party to and the Borrower does not have any Knowledge of any investigation, notice of violation, order or complaint issued by or before any court or regulatory body or of any other proceedings which could in any manner result in suspension, surrender, failure to renew, revocation or termination of any material License or otherwise threaten or adversely affect the validity or continued effectiveness of the Licenses of the Borrower. The Borrower has no reason to believe that any Licenses will not be renewed in the ordinary course. The Borrower has fully cooperated with every regulatory body having jurisdiction over any of the Licenses or the activities of the Borrower with respect thereto, including, without limitation, the National Indian Gaming Commission, and the Borrower has filed all material reports, applications, documents, instruments, and information required to be filed by it pursuant to applicable laws, rules and regulations.

(c) Bonding. The Borrower has posted all required bonds required under its Licenses.

(d) No Other Laws and Regulations. The conduct of the Borrower's business in connection with the Facility is not subject to registration with, notification to, or regulation, licensing, franchising, consent or approval by any state or federal governmental authority or administrative agency, except for the Tribal/State Compact with the State of New York and the laws and regulations promulgated by or associated with the Tribe or the Gaming Commission, and except general laws and regulations which are not related or applicable particularly or uniquely to the operation of the Facility, which do not materially restrict or limit the operation of the Facility, and with which the Borrower is in substantial compliance.

4.11. Intended Use of Loan Proceeds. The intended use of the proceeds of the Loan is for the purpose of paying Development Expenses.

4.12. No Usury. The transaction evidenced by this Agreement does not violate any applicable law of the State of New York pertaining to usury or the payment of interest on loans.

4.13. Participation of Directors, Officers and Employees. To the Knowledge of the Borrower, no officer, employee or agent of, or consultant to, the Borrower is prohibited by law, by regulation, by contract, or by the terms of any license, franchise, permit, certificate, approval or consent from participating in the business of the Borrower as officer, employee or agent of, or is the subject of any pending or, to the actual Knowledge of the Borrower, threatened proceeding which, if determined adversely, would or could result in such a prohibition.

4.14. Status of Borrower. The Borrower is not insolvent (as such term is defined in Section 101(32) of the Bankruptcy Code of 1978, as amended) and will not be rendered insolvent (as such term is defined in Section 101(32) of the Bankruptcy Code of 1978, as amended) by

execution of this Agreement, the Note, or any other Loan Document or consummation of the transactions contemplated thereby.

4.15. Agreements. The Borrower is not party to any agreement or instrument or subject to any charter which materially adversely affects its business, properties or assets, operations or condition (financial or otherwise). The Borrower is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party.

4.16. ERISA. Each employee benefit plan ("Plan") covered by Title IV of the Employee Retirement Income Security Act of 1974 and the rules and regulations thereunder ("ERISA") maintained, established, sponsored or contributed to by the Borrower or any member of a group which is under common control with the Borrower (the Borrower's "ERISA Affiliates"): (i) complies in all material respects with ERISA and the Internal Revenue Code of 1986 (the "Code") including, without limitation, all applicable funding standards of Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code; (ii) is solvent; and (iii) is not subject to any termination proceeding. Neither the Borrower nor any of its ERISA Affiliates has any liability under Title IV of ERISA to the Pension Benefit Guaranty Corporation ("PBGC") or any other person with respect to any such Plan; and neither the Borrower nor any of its ERISA Affiliates contributes to or has contributed to any multiemployer plan (as defined in Section 4001(a)(3) of ERISA) which is a defined benefit plan.

4.17. Gaming Matters. To the Knowledge of the Borrower, the Tribe's Tribal/State Compact with the State of New York and the Tribe's Gaming Ordinance remain in full force and effect in the same form as most recently furnished to the Lender.

4.18. Title to Premises. Based on a quitclaim deed from 100 Lindbergh Boulevard Corp. to the Tribe dated 11/10/97 and a right to use and occupancy deed from Ronald Cree to the Tribe dated 11/1/93, title to the Premises is held by the Tribe, subject to restrictions on alienation.

4.19. Environmental Impact Statement. To the Knowledge of Borrower, all required environmental impact statements, if any, as required by any Government Authority with respect to the Premises, have been duly filed and approved.

4.20. Access. The Premises front on a publicly maintained road or street and have legal access to the same through governmentally approved curb cut permits.

4.21. Flood Plain. Based solely on a survey of Haynes & Smith Associates dated February 18, 1999, the Premises are not located in a 100 Year Flood Plain as determined by the Federal Emergency Management Agency or the Federal Insurance Administration.

4.22. Hazardous Substances Representations of Borrower. Except as may have been disclosed to Lender in the Environmental Audit, as of the date hereof to the actual Knowledge of the

Borrower, no Hazardous Substances are located on the Premises, except as permitted by law and in compliance with all Environmental Laws, which would result in a material adverse effect on the condition (financial or otherwise), business, properties, or assets of Borrower.

4.23. Intellectual Property. Borrower possesses adequate licenses (including, without limitation, licenses related to computer programs), permits, franchises, patents, copyrights, trademarks and trade names, or rights thereto, to conduct its business substantially as now conducted.

4.24. Availability of Utilities. All utility services necessary for the proper operation of the Facility for its intended purposes are available at the Premises or will be made available to the Premises prior to completion of construction of the Facility at standard utility rates and hook-up charges, including water supply, storm and sanitary sewer facilities, gas, electricity and telephone facilities. Borrower shall furnish evidence of such availability of utilities from time to time at Lender's request either in the form of letters from the utility agencies to that effect.

4.25. Building Permits. All building permits required for the construction of the Facility have been obtained and paid for.

4.26. Condition of Real Property. The real property on which the Facility is located is not now damaged or injured as a result of any fire, explosion, accident, flood or other casualty, nor subject to any action in eminent domain.

4.27. Final Plans and Specifications. The plans and specifications with respect to the Facility have been approved by all Government Authorities, conform to all final approval resolutions and conditions of any Government Authority and include the recommendations made by the state fire marshall.

4.28. Architectural and Other Contracts. The architectural contract with respect to the Facility is in full force and effect and no default exists under such contract and the Borrower will perform its obligations thereunder and cause the architect to perform its obligations thereunder. The construction contracts are in full force and effect and no default exists under such contracts and the Borrower will perform its obligations under such contracts, and will cause the general contractor to perform its obligations under such contracts.

4.29. No Prior Pledges. Other than the pledge of the Pledged Revenues to the payment of the Equipment Note, which pledge is expressly second and subordinate to the pledge granted to the Lender in Section 3, the Borrower has made no pledge of any of its interest in the Pledged Revenues. There is no Lien on the Borrower's interest in and to the Pledged Revenues other than the Lien of this Agreement and the Lien granted to the Lender to secure payment of the Equipment Note, which Lien is expressly second and subordinate to the Lien granted to the Lender in Section 3.

Section 5. Conditions Precedent.

5.01. Effectiveness of Agreement. This Agreement shall become effective upon its execution and delivery by the parties hereto and when the Lender shall have received in form and substance satisfactory to it:

(a) the Note, the Escrow Agreement and the Notice of Pledge duly executed and approved by the appropriate parties;

(b) a copy of the resolution of the Tribe authorizing the execution and delivery of the Notice of Pledge;

(c) a copy of authorizing action by each of the general partners of the Borrower authorizing the execution, delivery and performance of the Loan Documents certified by the general partners;

(d) certificates as to the incumbency and signature of the person or persons authorized to execute and deliver the Loan Documents to be delivered by the Borrower;

(e) the favorable opinion of Walter Horn, Esq., counsel for the Borrower, in form and substance satisfactory to Lender, as to such matters incident to the transaction herein contemplated as the Lender may reasonably require;

(f) executed copies of the Borrower's Partnership Agreement, the Borrower's Certificate of Partnership, the Management Agreement, the Tribal/State Compact between the Tribe and the State of New York, the Gaming Ordinance and the Borrower's gaming License with evidence of the approvals of all applicable Government Authorities necessary to make such documents and agreements effective and enforceable;

(g) three copies of a current perimeter land survey of the Premises prepared by a reputable, registered land surveyor, certified and prepared in form and substance satisfactory to Lender and otherwise complying with the Minimum Standard Detail Requirements for an Urban Land Title Surveys as adopted by American Title Association and American Congress of Surveying and Mapping in 1992 including Item Nos. 1, 2, 3, 4, 6, 7(a), 7(b)(1), 8, 9, 10, 11 and 13 of Table A of the Requirements, certifying the description of the Premises, showing all encroachments onto or from the Premises, showing access rights, easements, or utilities, rights of way affecting such real property, showing all setback requirements upon the Premises, showing any existing improvements, showing matters affecting title, and showing such other items as Lender may reasonably request;

(h) evidence of the insurance coverage required by Section 6.02 hereof;

(i) the Environmental Audit;

(j) Evidence of title with respect to the Premises;

(k) a UCC Search with respect to the Borrower, including all names under which it does business;

(l) evidence satisfactory to the Lender that the Borrower is licensed by the Tribe and by the State of New York; and

(m) such other documents, instruments, approvals or opinions as the Lender may reasonably request.

Section 6. Covenants. The Borrower covenants and agrees that from the date hereof until payment in full of the principal of and interest on the Loan, unless the Lender shall otherwise consent in writing, the Borrower will:

6.01. Existence, Properties, Etc. Do or cause to be done all things necessary to preserve and keep in full force and effect its existence, and conduct and operate its business substantially as being conducted on the Closing Date.

6.02. Insurance and Bonds. Obtain and maintain throughout the term of the Loan such insurance and bonds against such risks and in such amounts, with such deductible provisions, as are customary in connection with the operation of its business, including the Facility, with insurers with a current Best's Insurance Guide rating of at least A+XIII and a current Standard & Poor's claims paying ability of AAA, and with the Borrower, the Tribe and the Lender named as insured, as their interests may appear, including standard waiver of subrogation clauses and written agreement by the insurer or insurers therein to give the Lender thirty (30) days' prior written notice of intent to cancel or to change the terms and conditions of the policy, including specifically, but not limited to the following coverages:

6.2.1. Builder's Risk Insurance - Builder's Risk Insurance written on a completed value basis in an amount equal to 100% of the replacement cost of the Facility at the date of completion with coverage available on the so-called non-reporting "all risk" form of policy, including coverage against collapse and water damage, special cause of loss, delayed completion coverage (in an amount not less than payments on the Loan), coverage for indirect loss exposures, demolition costs coverage, increased cost of construction coverage and increased time to rebuild coverage, with no co-insurance, and with a maximum deductible of $5,000.

6.2.2. Contractor's Public Liability - Comprehensive general liability insurance (including premises and operations, contractors protective liability, contractual obligations and products/completed operations) with the exclusion for

explosion, collapse and underground property removed, in amounts and coverage of at least $5,000,000, with a maximum deductible of $5,000.

6.2.3. Workmen's Compensation - Workmen's compensation coverage in the required statutory amounts or evidence of self-insurance in conformance with all Governmental Requirements.

6.2.4. Boiler Insurance - Commencing on the earlier of completion of the Facility or the opening of business therein, Broad Form Boiler and Machinery Insurance covering physical damage to the Facility, pressure vessels, pressure piping and other equipment insurable with full replacement cost endorsement, and with a maximum deductible of $5,000.

6.2.5. Flood Insurance - Flood insurance in the full replacement cost of the Facility if the Premises are within the 100 Year Flood Plain.

6.2.6. Hazard Insurance - Commencing on the earlier of completion of the Facility or the opening of business therein, All Risk Hazard Insurance against loss by fire, lightning and risks customarily covered by Fire and Extended Coverage insurance, including special cause of loss and earthquake coverage, with no exclusion for "collapse" , with blanket coverage for buildings and contents, in an amount equal to the full replacement cost of the Facility with stipulated value/agreed amount endorsement, sprinkler leakage endorsement and no co-insurance, and with a maximum deductible of $5,000.

6.2.7. Public Liability Insurance - Commencing on the earlier of completion of the Facility or the opening of business therein, Comprehensive General Public Liability Insurance covering the legal liability of the Borrower against claims for bodily injury, death or property damage occurring on, in or about the Facility with a combined single limit of not less than $5,000,000, with a maximum deductible of $5,000; automobile liability coverage (including coverage for hired and non-owned vehicles) with a combined single limit of not less than $3,000,000, with a maximum deductible of $5,000; and if liquor is sold on the Premises, Liquor Liability Coverage ("Dram Shop" coverage) in the minimum amount of (i) $3,000,000 or (ii) amounts as may be required by applicable law, with a maximum deductible of $5,000.

6.2.8. Business Interruption Insurance - Commencing on the earlier of completion of the Facility or the opening of business therein, insurance covering actual losses in gross operating earnings resulting directly from necessary interruption of business caused by risks of direct physical loss of real or personal property constituting part of the Facility, subject to policy exclusions, less charges and expenses which do not necessarily continue during the interruption of business, for such length of time as may be required with the exercise of due diligence and

dispatch to rebuild, repair or replace such properties as have been damaged or destroyed, but not less than one year, with limits equal to at least 100% of the Maximum Annual Debt Service Requirement for all Senior Debt.

6.2.9. Theft - Commencing on the earlier of completion of the Facility or the opening of business therein, insurance for all losses of Pledged Revenues caused by theft and embezzlement, including endorsements for coverage for employee theft, premises, transit, depositor's forgery, computer theft and funds transfer fraud, and money destruction.

All insurance policies maintained by the Borrower pursuant to the foregoing provisions of this Section 6.02 shall provide that any losses payable thereunder shall be payable to the Tribe, the Borrower and/or the Lender, as their interests appear. The Borrower shall cause the originals or certified copies of the policies of all such insurance to be deposited with the Lender. At least fifteen (15) days prior to the date on which the premiums on each such policy shall become due and payable, the Borrower shall furnish the Lender with proof reasonably satisfactory to the Lender of payment thereof. In the event of loss, the Borrower shall immediately give written notice thereof to the Lender. In no event shall the Lender be held responsible for failure to pay for any insurance required hereby or for any loss or damage growing out of a defect in any policy thereof or growing out of any failure of any insurance company to pay for any loss or damage insured against or for failure by the Lender to obtain such insurance or to collect the proceeds thereof.

6.03. Collection of Proceeds. Cooperate with the Lender in obtaining for Lender the benefits of any insurance, bonds or other proceeds lawfully or equitably payable to it in connection with the transaction contemplated hereby and the collection of any indebtedness or obligation of the Borrower to the Lender incurred hereunder.

6.04. Payments of Debt, Taxes, Etc. (a) Pay all of its Debt and obligations in an amount in excess of $250,000 promptly, including promptly and timely performing all covenants, agreements and promises under the Note and the other Loan Documents, and (b) pay and discharge or cause to be paid and discharged promptly all taxes, assessments, and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, or upon the Premises, before the same shall become in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might become a lien or charge upon any of such properties; provided, however, that the Borrower shall not be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect to any such tax, assessment, charge, claim or levy to the extent required by its auditors in order to comply with GAAP.

6.05. Financial Statements. Furnish the Lender with current financial information regarding the Borrower and the operation of the Facility as the Lender may reasonably require. During the term of the Loan the Borrower shall provide to the Lender:

(i) *Annual Audit of Facility*. Within one hundred twenty (120) days of the end of each fiscal year of the operation of the Facility, copies of audited financial statements including detailed audit reports and management letters prepared by an Accountant in connection with each annual audit of the operation of the Facility prepared in conformity with GAAP and other applicable laws and regulations.

(ii) *Quarterly Financial Statements*. When available, but in no event later than 45 days after the end of the preceding fiscal quarter, unaudited financial statements relating to the operation of the Facility during the preceding fiscal quarter and the fiscal year to date.

(iii) *Reports*. Upon the written request of the Lender, all reports required by law and applicable regulations submitted to or received from any federal, state or tribal gaming authorities.

(iv) *Other Information*. With reasonable promptness, from time to time, such other information regarding the operations, business, affairs and financial condition of the Borrower as the Lender may reasonably request, and subject to the Borrower's reasonable confidentiality requirements.

In the event the Borrower fails to furnish any such statements or information within forty-five (45) days after written request to the Borrower, the Lender may cause an audit to be made of the spective books and records at the sole cost and expense of the Borrower. Lender also shall have the right to examine at their place of safekeeping at reasonable times and upon reasonable notice all books, accounts and records of the Borrower relating to the operation of the Facility.

6.06. Hazardous Substance. So long as the Management Agreement has not been terminated, (a)(i) comply with, and, insofar as it has oversight over the Premises pursuant to the Management Agreement, require all occupants of the Premises to comply with, all applicable laws, rules, regulations and orders with respect to the discharge, generation, removal, transportation, storage and handling of Hazardous Substances, (ii) remove any Hazardous Substances existing in or on the Premises in violation of any Environmental Law promptly upon discovery of same, in accordance with applicable laws, ordinances and orders of Government Authorities, (iii) pay or cause to be paid all costs associated with such removal, and (iv) indemnify the Lender from and against all losses, claims and costs arising out of the migration of Hazardous Substances from or through the Premises onto or under other properties; (b) keep the Premises free of any lien imposed pursuant to any applicable law, rule, regulation or order in connection with the existence of Hazardous Substances on the Premises; (c) not install or permit to be installed or to exist in or on the Premises any asbestos, asbestos-containing materials, urea formaldehyde insulation or any other chemical or substance which has been determined to be a hazard to health and environment, except as permitted by and in compliance with all Environmental Laws; and (d) not cause or permit to exist, as a result of an intentional or unintentional act or omission on the part of the Borrower or any occupant of the Premises, a releasing, spilling, leaking, pumping, emitting, pouring, emptying or dumping of any

Hazardous Substances onto the Premises or into waters or other lands; and (e) give all notifications and prepare all reports required by Environmental Laws or any other law with respect to Hazardous Substances existing on, released from or emitted from the Premises.

6.07. Notice of Litigation. Give prompt written notice to the Lender of the commencement of any action, suit or proceeding before any court or arbitrator or any governmental department, board, agency or other instrumentality directly affecting the Tribe, the Borrower or any property of the Tribe or the Borrower or to which the Tribe or the Borrower is a party, in which an adverse determination or result could have a material adverse effect on the business, operations, property or condition (financial or otherwise) of the Facility or the Borrower or on the ability of the Borrower to perform its obligations under this Agreement and the other Loan Documents, as the case may be, stating the nature and status of such action, suit or proceeding.

6.08. Change in Nature of Business. Not make any material adverse change in the nature of the business of the Borrower conducted at the Facility as carried on at the date hereof or as contemplated at the date hereof as previously disclosed in writing to the Lender.

6.09. No Defaults. Not permit any material breach, default or event of default to occur with respect to the Borrower under any note, loan agreement, indenture, lease, mortgage, contract for deed, security agreement or other contractual obligation binding upon the Borrower which is not cured within the applicable cure provisions thereof.

6.10. Lien Searches. Promptly deliver to the Lender any and all lien searches as the Lender may reasonably request from time to time in connection with the Loan (but not more than one each year unless an Event of Default has occurred).

6.11. Further Assurances. From time to time at its expense execute and deliver or endorse any and all instruments, documents, conveyances, assignments and other agreements and writings, make any records, file any notices, and obtain any consents, all as may be necessary or appropriate in connection herewith, which the Lender may reasonably request, in order to cure any defects in the creation, execution and delivery of this Agreement or protect, perfect or enforce the Loan Documents or the rights of the Lender under this Agreement (but any failure in request to assure that the Borrower executes, delivers, or endorses any such item shall not affect or impair the validity, sufficiency or enforceability of the Loan Documents, regardless of whether any such item was or was not executed, delivered or endorsed in a similar context or on any other occasion).

6.12. ERISA. Comply in all material respects with the Employee Retirement Income Security Act of 1974 to the extent applicable.

6.13. Notice of Events of Default. Furnish to the Lender as soon as possible and in any event within two (2) Business Days after the Borrower has obtained actual Knowledge of the occurrence of an Event of Default, or an event which with the giving of notice or lapse of time or both would constitute an Event of Default, which is continuing on the date of such statement, a

statement signed by the Borrower setting forth details of such Event of Default or event and the action which the Borrower has taken, is taking or proposes to take to correct the same.

6.14. Licenses. Obtain and hold all necessary and convenient Licenses with respect to the business operations of the Borrower.

6.15. Conduct of Business. Preserve all of the rights, privileges, and franchises necessary or desirable in the normal conduct of its business; conduct such business in an orderly, efficient and regular manner; not assign this Agreement or any interest herein or all or any part of any Loan to be made hereunder without the prior written consent of the Lender; and not liquidate, merge, dissolve, suspend business operations or sell or lease all or substantially all of its assets, whether in one transaction or a series of related transactions, without the prior written consent of the Lender.

6.16. Application of Loan Proceeds. Use the proceeds of the Loan solely for the purpose of paying the Development Expenses, and in no event to use any of the Loan proceeds for personal, or other purposes.

6.17. Material Effect. Transmit to the Lender, immediately upon receipt thereof, any communication which could materially adversely affect Lender's security for the Loan or have a material adverse effect on the financial condition of the Borrower and will promptly respond fully to any inquiry of the Lender made with respect thereto.

6.18. Inspections/Books and Records. At all times keep proper books of record and accounts for itself and its operations thereon, and, upon two (2) Business Days written request of the Lender, and subject to the confidentiality requirements of Section 8.23, permit any duly authorized representative of the Lender access during normal business hours to, and permit such representative to reasonably examine, copy or make extracts from, any and all books, records and documents in the Borrower's possession or control relating to the Facility or any of the representations or covenants of the Borrower hereunder or in the Loan Documents (such access to be given immediately upon request in the case of any emergency or a material change in financial or other condition of the Borrower).

6.19. Escrow Agreement. Comply with all the terms of the Escrow Agreement.

6.20. Compliance With Governmental Requirements and Laws. Comply in all material respects with all terms of the Tribal/State Compact, the Gaming Ordinance, the Gaming Regulations, and all applicable Governmental Requirements, wetlands restrictions and regulations, and private covenants binding on the Borrower or the Premises, including, without limitation, environmental protection and equal employment regulations and appropriate supervising boards of fire underwriters and similar agencies, the Indian Health Service and the requirements of any insurer issuing coverage with respect to the Borrower or the Facility, the non-compliance with which could have a material adverse effect on the business, operations, assets or financial or other condition of

Borrower or the ability of the Borrower to perform its obligations under this Agreement, the other Loan Documents or the Management Agreement, except where diligently contested in good faith and by proper proceedings; obtain or cause to be obtained as promptly as possible any License and make any filing or registration therewith which at the time shall be required with respect to the performance of its obligations under this Agreement or the other Loan Documents or for the operation of its business as presently conducted or as contemplated by it; and promptly provide written notice to the Lender of the receipt of any notice of any investigation or charge of violation thereof from any Government Authority or of any administrative or adjudicative proceedings which could in any manner result in the termination of any License or could reasonably be expected to have a material adverse effect on its business, assets, operation or condition, financial or otherwise, and in such event shall provide the Lender with such additional reports and information as the Lender may reasonably require.

6.21. Regulation G, T and X. Use the net proceeds from the sale of the Loan to pay the Development Expenses. None of the transactions contemplated in this Agreement (including, without limitation thereof, the use of proceeds from the Loan) will violate or result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended, or any regulation issued pursuant thereto, including, without limitation, Regulations G, T and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. None of the proceeds from the Loan will be used to (i) purchase any "security" within the meaning of the Securities Exchange Act of 1934, as amended, or (ii) refinance any borrowing, the proceeds of which were used to purchase any such "security".

6.22. Management Agreement. Not terminate the Management Agreement without the consent of the Lender, nor amend, modify, terminate or release any provision of the Management Agreement relating to the amount and payment of the Pledged Revenues without the consent of the Lender.

6.23. No Merger. Not consolidate or merge with any other entity; or acquire any business; or acquire stock of any corporation; or enter into any partnership or joint venture.

6.24. Loans or Advances. Except for distributions as permitted by Section 6.25, not make any loan or advance to, or otherwise extend any credit to Borrower's officers or to any affiliate of Borrower, in an aggregate amount in excess of $250,000 outstanding from time to time.

6.25. Distributions. Not make any distribution of funds to any affiliate of Borrower, unless and until and only so long as the current month's Monthly Service Charges have been fully paid and no Event of Default, nor any event which with the passing of time or the giving of notice or both would constitute an Event of Default, has occurred and is then existing.

6.26. Guaranties. Not assume, guarantee, endorse or otherwise become liable upon the obligation of any person, firm or corporation except pursuant to the Loan Documents or by

endorsement of negotiable instruments for deposit or collection in the ordinary course of business, nor sell any notes or accounts receivable with or without recourse.

6.27. Operation of Facility. Take all reasonable steps to assert its rights and remedies under the Management Agreement and any other agreement with the Tribe so as to ensure that the Facility is continuously operated.

6.28. Maintenance of Properties, Etc. Maintain, repair and preserve the Facility and all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, and from time to time make or cause to be made all necessary and proper replacements, repairs, renewals and improvements so that the efficiency and value of its properties and facilities will not be materially impaired.

6.29. Gaming Termination. Promptly after learning thereof, notify the Lender in writing of any termination, revocation, suspension or limitation or proposed or threatened termination, revocation, suspension or limitation by any Government Authority of the authority of the Tribe or the Borrower to operate the Facility as a Class II and Class III gaming facility in accordance with the Tribal/State Compact of the Tribe with the State of New York.

6.30. Additional Debt. Nor incur, nor permit the incurrence of any Debt with a lien on the Pledged Revenues senior to, or on a parity with, the lien granted in Section 3. Not incur, nor permit the incurrence of, any additional Senior Debt, other than the Equipment Note, except: (i) with the written consent of the Lender; or (ii) before incurring such Senior Debt the Borrower submits to the Lender a certificate confirming that the ratio of the Pledged Revenues for the fiscal year of the Borrower most recently ended, to the Maximum Annual Debt Service Requirement for the same period of time on the Note, the Equipment Note, all other outstanding Senior Debt and the proposed Senior Debt, is greater than 2.00 to 1.00.

6.31. Year 2000. Take all action necessary to assure that there will be no material adverse change to Borrower's operation of the Facility by reason of the advent of the year 2000, including without limitation, that all computer-based systems, embedded microchips and other processing capabilities effectively recognize and process dates after December 31, 1999.

6.32. Construction. Continuously, diligently and with reasonable dispatch, pursue construction of the Facility to completion, and supply such moneys and perform such duties as may be necessary to complete the construction of the Facility in a workmanlike manner pursuant to all contract documents therefor and the requirements of the Management Agreement and in full compliance with all terms and conditions of this Agreement and the Loan Documents, all of which shall be accomplished on or before the Completion Date and without liens, claims or assessments (actual or contingent) asserted against the Premises for any material, labor or other items furnished in connection therewith, and all in full compliance with all construction, use, building, zoning, environmental laws and other similar requirements of any pertinent government jurisdiction,

evidence of satisfactory compliance with all of which Borrower will provide to Lender upon written request therefor by Lender.

Section 7. Events of Default. Upon the occurrence of any of the following events (hereinafter called Events of Default):

(a) any representation or warranty made herein or in any of the Loan Documents or any written report, certificate, financial statement or other instrument heretofore or at any time hereafter furnished by or on behalf of the Borrower to the Lender shall prove to have been false or misleading in any material respect when made;

(b) failure to pay the principal of, interest on or servicing fee with respect to the Loan (the "Obligations") when due;

(c) default in the Borrower's covenants set forth in Section 6.22;

(d) default in any other covenant or agreement binding on the Borrower under any of the Loan Documents which default is not cured within fifteen (15) Business Days after written notice thereof shall have been given by the Lender to the Borrower for any default which can be reasonably cured within fifteen (15) Business Days, and a reasonable period of time for a default not reasonably capable of cure within fifteen (15) Business Days provided the Borrower diligently commences and continues a course of action to so cure;

(e) failure to pay any other Debt of the Borrower with a principal amount of $250,000 or more when due, or default in the performance of any other obligation incurred in connection with any such Debt of the Borrower, if the effect of such default is to accelerate the maturity of such Debt or to permit the holder thereof to cause such Debt to be accelerated;

(f) subject to Force Majeure, failure to complete the Facility by the Completion Date, or within sixty (60) days thereafter if the Borrower provides evidence to the Lender that it is proceeding with due diligence to complete the Facility;

(g) the occurrence of a non-permitted Transfer;

(h) any lien for labor, material, taxes or otherwise, in an amount equal to $50,000 or greater, shall be filed against the Premises and such lien shall not be released or bonded over to Lender's satisfaction within thirty (30) days after the filing thereof;

(i) any suit shall be filed against the Borrower or the Tribe related to the Facility which (1) creates a stoppage of the work or enjoins the ongoing construction and (2) which, if adversely determined, would substantially impair the ability of the Borrower to perform its obligations under the Loan Documents, and which in either case is not dismissed or stayed within thirty (30) days after its filing;

(j) any suit shall be filed against the Borrower or the Tribe related to the Facility which, if adversely determined, would substantially impair the ability of the Borrower to perform its obligations under the Loan Documents, and which is not dismissed or stayed within thirty (30) days after its filing;

(k) a levy be made under any process on the Premises in an amount equal to $50,000 or greater and such levy shall not be immediately bonded over and shall continue unstayed for sixty (60) days or more;

(l) the Borrower abandons the Facility or delays or ceases work thereon for a period of thirty (30) days, or delays construction or suffers construction to be delayed for any period of time for any reason whatsoever, other than Force Majeure, so that completion of Facility cannot be accomplished in the judgment of the Lender within sixty (60) days following the Completion Date;

(m) the Borrower shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (v) be adjudicated insolvent or be the subject of an order for relief under any chapter of the Bankruptcy Code (11 U.S.C. Section 101, et seq.), (vi) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or (vii) acquiesce to, or fail to controvert in a timely manner, any petition filed against it in an involuntary case under such bankruptcy laws;

(n) a case or other proceeding shall be commenced, without the application or consent of the Borrower, in any court of competent jurisdiction, seeking the liquidation, reorganization, dissolution, winding up, or composition or readjustment of debts, of the Borrower, the appointment of a trustee, receiver, custodian, liquidator or the like of the Borrower or of all or any substantial part of its assets, or any similar action with respect to the Borrower under the federal bankruptcy laws (as now or hereafter in effect) or any other laws relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in

effect, for a period of ninety (90) days, or an order for relief against the Borrower shall be entered in an involuntary case under such bankruptcy laws.

(o) the Borrower shall fail to maintain its existence as a New York general partnership, shall dissolve or shall take steps to wind up its business;

(p) if a garnishment summons or writ of attachment in an amount equal to $50,000 or greater is issued against or served upon the Lender for the attachment of any property of the Borrower in the Lender's possession or any indebtedness owing to the Borrower, unless appropriate papers are filed by the Borrower contesting the same within thirty (30) days after the date of such service or such shorter period of time as may be reasonable in the circumstances;

(q) any judgment, writ of attachment or similar process in an amount in excess of $250,000, and not fully covered by insurance, shall be entered or filed against the Borrower or any property of the Borrower which remains unpaid, unvacated, unbonded or unstayed for a period of thirty (30) days or more;

(r) the Borrower fails to provide the Lender with financial information in accordance with this Agreement within the time periods set forth in Section 6.05 of this Agreement;

(s) the Borrower or the Tribe shall violate any term or provision of the Tribe's Tribal/State Compact with the State of New York, the Gaming Ordinance or the Gaming Regulations which violation materially impairs the continued operation of the Facility, or there shall be any material adverse amendment to such Tribal/State Compact, the Gaming Ordinance or the Gaming Regulations that materially impairs the continued operation of the Facility; or any termination, revocation, suspension or limitation or proposed or threatened termination, revocation, suspension or limitation by any Government Authority of the authority of the Tribe to operate the Facility as a Class II and Class III gaming facility which actual or proposed termination, revocation, suspension or limitation materially impairs the continued operation of the Facility; or the Tribe ceases gaming activities at the Facility;

then, the Lender, upon such occurrence or at any time thereafter until such Event of Default is cured to the written satisfaction of the Lender, may exercise one or more of the following rights and remedies:

(a) declare all unmatured Obligations to be immediately due and payable, and the same shall thereupon be immediately due and payable, without presentment or other notice or demand (but Lender expressly reserves the right to demand payment of any Obligation payable on demand, at any time, whether or not an Event of Default has occurred or is continuing);

(b) without notice or demand, offset any indebtedness the Lender or any of its participants, successors or assigns then owes the Borrower, whether or not then due, against any obligation then owned to the Lender or any of its participants, successors or assigns by the Borrower, whether or not then due;

(c) exercise or enforce any and all other rights or remedies available by law or agreement against the Borrower; and

(d) exercise or enforce any and all other rights or remedies available under any other Loan Documents.

Section 8. Miscellaneous.

8.01. No Waiver; Remedies Cumulative. No failure on the part of the Lender to exercise and no delay in exercising any right, power or privilege under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided in the Loan Documents are cumulative and not exclusive of any remedies provided by law or in equity or by statute.

8.02. Notices. Notices permitted or required to be given hereunder shall be deemed sufficient if given by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective addresses of the parties or at such other addresses as the respective parties may designate by like notice from time to time. Notices so given shall be effective upon the earlier of (a) receipt by the party to which notice is given, or (b) on the fifth (5th) Business Day following the date such notice was posted. Any notices to the Lender shall be addressed to:

Miller & Schroeder Investments Corporation
220 South Sixth Street, Suite 300
Minneapolis, Minnesota 55402
Attention: Loan Servicing Department
(Until December 1, 1999)

or

Miller & Schroeder Investments Corporation
150 South Fifth Street, 30th Floor
Minneapolis, Minnesota 55402
Attention: Loan Servicing Department
(After December 1, 1999)

Notices to the Borrower shall be addressed to:

President R.C. — St. Regis Management
Company
333 Earle Ovington Blvd.
Suite 900
Uniondale, New York 11553
Attention: Walter K. Horn, Senior Vice President
and General Counsel

8.03. Fees/Taxes/Attorneys Fees. The Borrower shall reimburse the Lender, upon demand, for all reasonable costs and expenses actually paid or incurred, including without limitation reasonable attorney's fees, by the Lender in connection with:

(i) the preparation or review of the Loan Documents;

(ii) subsequent to the Closing Date, the negotiation of any amendments or modifications to any of the Loan Documents requested by the Borrower or, if an Event of Default has occurred and is continuing, requested by the Lender, and any related documents, instruments or agreements and the preparation of any and all documents necessary or desirable to effect such amendments or modifications; and

(iii) the enforcement by the Lender during the term hereof or thereafter of the rights or remedies of the Lender hereunder or under any of the foregoing documents, instruments or agreements, including without limitation reasonable costs and expenses of collection in the Event of Default, whether or not suit is filed with respect thereto and whether such costs are paid or incurred, or to be paid or incurred, prior to or after entry of judgment.

The Borrower agrees to pay all stamp, document, transfer, recording or filing taxes or fees and similar impositions now or hereafter reasonably determined by the Lender to be payable in connection with the Loan Documents, or any other documents, instruments or transactions pursuant to or in connection herewith or therewith, and the Borrower agrees to save the Lender harmless from and against any and all present or future claims, liabilities or losses with respect to or resulting from any omission to pay or delay in paying any such taxes, fees or impositions, unless such omission or delay is due to gross negligence or willful misconduct on the part of the Lender. All such expenses, taxes or attorney's fees shall be payable to the Lender on demand. The obligations of the Borrower under this Section 8.03 shall survive the repayment of the Note and the Loan.

8.04. Indemnification. (a) The Borrower agrees to indemnify and hold harmless the Lender and its directors, officers, employees, agents (including outside legal counsel), contractors, subcontractors, licensees, invitees, successors and assigns (collectively, the "Indemnified Persons"), against any and all losses, claims, damages or liability to which the Indemnified Persons, may become subject under any law in connection with the carrying out of the transactions contemplated by this Agreement

or any other Loan Document (except the Borrower shall not have any obligation to the Lender in connection with any sale of participating interests in the Loan), or the conduct of any activity on the Premises or any accident, injury, death or damage to any person or property occurring in, on or about the Premises or any street, drive, sidewalk, curb or passageway adjacent thereto (other than as a result of the act of commission or omission, including negligence or willful misconduct, of any such party), or as a result of any arrangement whereby any party, other than the Lender or B&L Financial, Inc., is entitled to receive, or the Borrower is required to pay, any fee, commission or other compensation relating to the obtaining of financing which is the subject of this transaction, and to reimburse the Indemnified Persons, for any out-of-pocket legal and other expenses (including reasonable attorneys' fees, whether incurred at trial, on appeal, in bankruptcy proceedings, or otherwise) incurred by the Indemnified Persons, in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions relating thereto. The Lender agrees, at the request and reasonable expense of the Borrower, to cooperate in the making of any investigation in defense of any such claim and promptly to assert any or all of the rights and privileges and defenses which may be available to the Lender. The provisions of this Section shall survive the payment of the Note and the Loan.

(b) Without limiting the generality of the foregoing, the Borrower shall bear all loss, expense (including reasonable attorneys' fees, whether incurred at trial, on appeal, in bankruptcy proceedings, or otherwise) and damage in connection with, and agrees to indemnify and hold harmless the Indemnified Persons from all claims, demands and judgments made or recovered against the Indemnified Persons, because of bodily injuries, including death at any time resulting from any of the foregoing, and/or because of damages to property of the Indemnified Persons, or others (including loss of use) from any cause whatsoever, arising out of, or in connection with the acquisition, construction and installation of the Facility, if due to any act of omission or commission, including negligence, of the Borrower, or any of its agents, contractors, subcontractors, servants, directors, officers, employees, licensees or invitees. The Borrower's liability hereunder shall not be limited to the extent of such insurance or subject to any exclusions from coverage in any insurance policy. The obligations of the Borrower under this Section shall survive the repayment of the Note and the Loan.

(c) The Borrower hereby agrees to defend, indemnify and hold harmless the Indemnified Parties from and against any and all claims, losses, damages, liabilities, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense and settlement of claims or remediation of contamination, whether incurred at trial, on appeal, in bankruptcy proceedings, or otherwise) incurred by the Indemnified Parties as a result of or in connection with the presence or removal of Hazardous Substances or as a result of or in connection with activities regulated under Section 6.06. The Borrower shall bear, pay and discharge, as and when the same become due and payable any and

all such judgments or claims for damages, penalties or otherwise, against the Indemnified Parties, shall hold the Indemnified Parties harmless against all claims, losses, damages, liabilities, costs and expenses, administrative proceedings, and negotiations of any description with any and all persons, political subdivisions or government agencies arising out of any of the occurrences set forth in Section 6.06. These covenants, representations, warranties and indemnities shall be deemed continuing covenants, representations, warranties and indemnities running with the Premises for the benefit of the Lender, and any successors and assigns of the Lender. The amount of all such indemnified loss, damage, expense or cost, shall bear interest thereon at the rate of interest in effect on the Note and shall become so much additional indebtedness secured hereby and shall become immediately due and payable in full on demand of the Lender, and each of its successors and assigns. Proceeds of insurance obtained by the Borrower, to the extent paid to the Lender, shall be applied towards the satisfaction of the Borrower's obligations under this Section 8.04(c). The provisions of this Section shall survive the payment of the Note and the Loan.

8.05. Compliance Certificate. As soon as practicable, but in any event within forty-five (45) days after the end of each fiscal quarter, the Borrower agrees to provide to the Lender a certificate of the chief financial officer of the Borrower in substantially the form attached hereto as Exhibit B stating (i) whether or not he has actual Knowledge of the occurrence of any Event of Default under any of the Loan Documents or any event which with the giving of the notice or the passage of time would constitute an Event of Default under any the Loan Documents, other than Events of Default previously reported and remedied and, if so, stating in reasonable detail the facts with respect to such Event of Default, and (ii) that the Borrower is in compliance with each of the representations and warranties contained in Section 4 of this Agreement and each of the covenants set forth in Section 6 of this Agreement.

8.06. Participation Disclosures. The Borrower hereby acknowledges that the Lender will be selling participation interests in the Loan and, subject to the requirements set forth in Section 8.23, hereby authorizes the Lender to disclose to any potential participant the Loan Documents and any and all financial and other information relating to the Borrower and delivered to the Lender in connection with this transaction, provided that Lender shall comply with all laws, including but not limited to federal and state securities laws, in connection with the offer or sale of such participation interests.

8.07. Amendments, Etc. No amendment, modification or waiver of any provision of the Loan Documents and no consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such amendment, modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

8.08. Successors and Assigns Included in Parties. Whenever in this Agreement one of the parties hereto is named or referred to, the heirs, legal representatives, successors and assigns of such parties shall be included and all covenants and agreements contained in this Agreement by or on behalf of the Borrower or by or on behalf of the Lender shall bind and inure to the benefit of their respective heirs, legal representatives, successors and assigns, whether so expressed or not.

8.09. Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and permitted assigns, except that the Borrower may not transfer or assign its rights hereunder without the prior written consent of the Lender.

8.10. Marshalling; Payments Set Aside. The Lender shall be under no obligation to marshall any assets in favor of the Borrower or any other Person or against or in payment of the Loan and other indebtedness of the Borrower to the Lender. To the extent that the Borrower makes a payment or payments to the Lender or the Lender exercises its rights of setoff, and such payment or payments or the proceeds of such setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

8.11. Section Titles. The section titles contained in this Agreement shall be without substantive meaning or content of any kind whatsoever and shall not govern the interpretation of any of the provisions of this Agreement.

8.12. Reliance by the Lender. All covenants, agreements, representations and warranties made herein and in any Loan Document by the Borrower shall, notwithstanding any investigation by the Lender, be deemed to be material to and to have been relied upon by the Lender and shall survive the execution and delivery of this Agreement.

8.13. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

8.14. Invalid Provisions to Affect No Others. If fulfillment of any provision hereof, or any transaction related thereto at the time performance of any such provision shall be due, shall involve transcending the limit of validity prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and such clause or provision shall be deemed invalid as though not herein contained, and the remainder of this Agreement shall remain operative in full force and effect.

8.15. Number and Gender. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the other.

8.16. Time of Essence. Time is of the essence in the performance of this Agreement.

8.17. Not Joint Ventures. The Lender is not, and shall not by reason of any provision of any of the Loan Documents be deemed to be, a joint venturer with or partner or agent of the Borrower.

8.18. Notice of Change in Location. The Borrower shall promptly notify the Lender of any change in location of Borrower's principal places of business or the offices where it keeps its records concerning accounts and contract rights.

8.19. Renewal or Extension. All provisions of this Agreement relating to the Note and the related documents shall apply with equal force and effect to each and all promissory notes or related documents hereinafter executed which in whole or in part represent a renewal, extension for any period, increase or rearrangement of any part of the Note or such related documents.

8.20. Tax Identification Number. The federal tax identification number for the Borrower is 43-1668014.

8.21. Setoff. If the unpaid principal amount of the Loan, interest accrued thereon or any other amount owing by the Borrower under the Loan Documents shall have become due and payable (by demand, acceleration or otherwise), the Lender shall have the right, in addition to all other rights and remedies available to it, without notice to the Borrower, to set off against, and to appropriate and apply to such due and payable amounts any debt owing to, and any other funds held in any manner by the Lender for the account of, the Borrower. Such right shall exist whether or not the Lender shall have made any demand hereunder or under any other Loan Document, whether or not such debt owing to or funds held for the account of the Borrower is or are matured or unmatured, and regardless of the existence or adequacy of any collateral, guaranty or any other security, right or remedy available to the Lender.

8.22. Name and Logo. Borrower hereby consents to the use of the name and logo of the Facility in the Loan offering book, Loan closing transcript, any tombstone ads or other promotional materials without any consideration to the Borrower other than the Loan.

8.23. Confidentiality. The Lender agrees to use all reasonable precautions to keep confidential in accordance with its customary procedures for the treatment of confidential information the financial statements and other information provided hereunder or under any of the Loan Documents, except the Lender may disclose the financial statements and other information to a potential participant in the Loan, a participant in the Loan, to any assignee or potential assignee of a participant, to the Lender's legal counsel, to any consultant of the Lender that has agreed to be bound by this paragraph, to directors, officers, employees of and agents for the Lender in its ongoing

business and to any independent auditors of the Lender. If required by law, such information may also be provided to the Securities and Exchange Commission (or any successor agency), to any state regulatory agencies or authorities (and all successor agencies and authorities), to the National Association of Securities Dealers (or any similar agency), and to insurance regulatory authorities (including, without limitation, the National Association of Insurance Commissioners). If such information is otherwise required to be disclosed by law, including in any court proceeding, including (but limited to) response to any summons or subpoena in connection with any litigation, the Lender shall notify the Borrower of any law, court proceedings, summons or subpoena and the Borrower or any agent thereof shall have the ability to seek a protective order with respect to the summons and subpoena prior to disclosure. In addition, the Lender is permitted to disclose all such information which: (a) becomes generally available to the public other than as a result of a disclosure by the Lender or its directors, officers, employees or advisors; (b) becomes available to the Lender on a non-confidential basis from a source not known by the Lender to be bound by an undertaking of confidentiality; or (c) the Lender needs to disclose for the protection or enforcement of any of its rights or interests against the Borrower.

8.24. Integration; Conflicting Terms. This Agreement together with the other Loan Documents comprises the entire agreement of the parties on the subject matter hereof and supersedes and replaces all prior agreements, oral and written, on such subject matter. If any term of any of the other Loan Documents expressly conflicts with the provisions of this Agreement, the provisions of this Agreement shall control; provided, however, that the inclusion of supplemental rights and remedies of the Lender in any of the other Loan Documents shall not be deemed a conflict with this Agreement.

8.25. Governing Law and Construction. The Loan Documents shall be governed by, and construed in accordance with, laws of the State of New York. Whenever possible, each provision of the Loan Documents and any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of the Loan Documents or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the Loan Documents or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto. The parties shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with a valid provision the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provision. The provisions of this Section are irrevocable and may not be rescinded, revoked or amended without the prior written consent of Lender. The Borrower acknowledges the Lender has relied upon them in entering into the Loan Documents.

8.26. Consent to Jurisdiction; Waiver of Jury Trial. In the event a suit is commenced on the Loan Documents or the subject matter of the Loan Documents, the Borrower covenants that it will not dispute the jurisdiction of the district courts of the State of Minnesota or the United States

District Courts for the District of Minnesota and all courts to which decisions of said courts may be appealed. The Borrower hereby waives any and all rights to a jury trial for any damages or losses of whatsoever nature or kind directly or indirectly arising out of, or related to, the Loan Documents or any of the transactions contemplated in connection herewith.

8.27. Term. This Loan Agreement shall be in effect until the Final Maturity Date or until such later time as all outstanding obligations under the Note, this Loan Agreement and the other Loan Documents have been paid in full.

IN WITNESS WHEREOF, the Borrower and the Lender have hereunto caused these presents to be executed on the date first above written.

PRESIDENT R.C. — ST. REGIS MANAGEMENT COMPANY

By MASSENA MANAGEMENT, LLC,
general partner

By IVAN KAUFMAN
Its PRESIDENT

And MASSENA MANAGEMENT CORP.,
general partner

By IVAN KAUFMAN
Its PRESIDENT

MILLER & SCHROEDER INVESTMENTS CORPORATION

By _____
Name: KENNETH R. LARSEN
Title: Vice President
Address: 220 South Sixth Street
Suite 300
Minneapolis, MN 55402

EXHIBIT A

[Form of Note]

EXHIBIT B

COMPLIANCE CERTIFICATE

DATED _____

I, the _____ of President R.C. — St. Regis Management Company (the "Borrower"), do hereby provide this Compliance Certificate in connection with that certain Loan Agreement dated February 24, 1999, by and between the Borrower and Miller & Schroeder Investments Corporation (the "Loan Agreement").

I certify, on behalf of the Borrower, that as of the date hereof:

(1) The Borrower is in compliance with each of the covenants contained in Section 6 of the Loan Agreement.

(2) Except as stated on an attachment to this certificate, each of the representations and warranties contained in Section 4 of the Loan Agreement are true and correct as of the date hereof, except for those representations or warranties made as of a certain date which remain true and correct as of such date.

(3) No event has occurred and is continuing which constitutes an Event of Default under the Loan Agreement, or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

PRESIDENT R.C. — ST. REGIS
MANAGEMENT COMPANY

By:_____
Its: General Partner

By:_____
Its:_____

EXHIBIT C

EXCEPTIONS SCHEDULES

None

LOAN AGREEMENT

between

PRESIDENT R.C. — ST. REGIS MANAGEMENT COMPANY

and

MILLER & SCHROEDER INVESTMENTS CORPORATION

Dated as of February 24, 1999

Asmus Aff.,
Ex. E

TABLE OF CONTENTS

(This Table of Contents is not part of this Loan Agreement and is for convenience of reference only)

LOAN AGREEMENT

LOAN AGREEMENT (this "Agreement") dated as of February 24, 1999, between PRESIDENT R.C. — ST. REGIS MANAGEMENT COMPANY (hereinafter called the "Borrower"), a New York general partnership (the "Borrower") and MILLER & SCHROEDER INVESTMENTS CORPORATION (the "Lender"), a Minnesota corporation.

RECITALS:

WHEREAS, the Borrower and St. Regis Mohawk Tribe, a federally recognized Indian tribe (the "Tribe"), have entered into a Fourth Amended and Restated Management Agreement dated November 7, 1997, and Addendum thereto (the "Management Agreement"), whereby the Borrower will develop and manage a gaming facility on the Tribe's reservation, and the Tribe will make monthly payments to the Borrower relating to (i) repayment of costs of the development, with interest, and (ii) payment of a management fee;

WHEREAS, the Borrower has requested that the Lender lend to the Borrower the sum of $3,492,000 in order to finance a portion of the development expenses of the Tribe's gaming facilities;

WHEREAS, the Lender has agreed to lend to the Borrower the sum of $3,492,000 to be used for such purposes pursuant to a promissory note executed by the Borrower and on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing Recitals and the terms and conditions set forth below, the parties hereto agree as follows:

Section 1. Definitions.

1.01. Specific Definitions. As used herein, the following terms shall have the following meanings:

"Accountant": any Person who is a certified public accountant employed or retained by the Borrower and acceptable to the Lender.

"Business Day": any day, other than a Saturday, a Sunday, or a legal holiday on which national banks are not open for business in Minnesota or New York.

"Casino Note": the Promissory Note, dated the date hereof, in the aggregate principal amount of $8,690,000, payable to the order of the Lender.

"Closing Date": the date on which the Lender makes the Loan pursuant to Section 2.01.

"Completion Date": June 1, 1999, or such later date agreed to by the Lender.

"Debt": collectively, in respect of any Person, any of the following:

(a) all indebtedness of such Person, whether or not represented by bonds, debentures, notes or other securities, for the repayment of money borrowed;

(b) the principal of in respect of: (i) any indebtedness of such Person for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such person or only a portion thereof); or (ii) indebtedness of such Person evidenced by bonds, notes, debentures or similar instruments or letters of credit;

(c) all deferred indebtedness for the payment of the purchase price of property or assets purchased; all obligations of such Person representing the balance deferred and unpaid of the purchase price of any property or interest therein or in respect of conditional sales, if and to the extent such obligations would appear as a liability upon a balance sheet of such Person prepared on a consolidated basis in accordance with GAAP, except any such obligation that constitutes a trade payable in the ordinary course of business in connection with obtaining goods, materials or services;

(d) all guaranties, endorsements (other than endorsements of negotiable instruments for deposit in the ordinary course of business), assumptions and other contingent obligations in respect of, or to purchase or otherwise acquire, indebtedness of others; reimbursement obligations of such person with respect to letters of credit and bankers acceptances or similar credit obligations;

(e) all obligations under interest rate protection agreements, foreign currency hedges and similar agreements;

(f) all indebtedness secured by any mortgage, pledge or lien existing on property owned, subject to such mortgage, pledge or lien, whether or not the indebtedness secured thereby shall have been assumed;

(g) all installment purchase contracts, loans secured by purchase money security interests and lease-purchase agreements or capital leases (including leases of real property) in each case computed in accordance with generally accepted accounting principles;

(h) any obligation of the Person (whether are not classified as indebtedness under generally accepted accounting rules, including an operating lease) entered into for the purpose of directly or indirectly supporting, credit enhancing or paying any Debt of another Person, including any agreement to purchase any asset or obligation and any room rate, occupancy, or operating guaranty; and

(i) a guaranty or agreement by such Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, primary or contingent, in any manner of any part or all of the obligations of another person of the type described in clauses (a) through (h) above.

"Development Expenses": as such term is defined in the Management Agreement.

"Environmental Audit": the following documents all prepared or managed by the Persons specified below for the Borrower, the Tribe or prior owners of the Premises: Phase I Report Environmental Site Assessment of Route 37/Route 95 Hogansburg, New York, January 1999, prepared by URS Greiner Woodward Clyde, Inc.

"Environmental Laws": any applicable law relating to the environment, including, without limitation, those relating to releases, discharges or emissions to air, water, land or groundwater, to the withdrawal or use of groundwater, to the use and handling of polychlorinated biphenyls or asbestos, to the disposal, treatment, storage or management of Hazardous Substances or to exposure to toxic or hazardous materials, to the handling, transportation, discharge or release of gaseous or liquid Hazardous Substances and any regulation, order, notice or demand issued pursuant to such law, statute or ordinance, in each case applicable to the property of the Borrower or its affiliates, if any, including without limitation, if applicable, the following: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and the Hazardous and Solid Waste Amendments of 1984, the Hazardous Materials Transportation Act, as amended, the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1976, the Safe Drinking Water Act, the Clean Air Act, as amended, the Toxic Substances Control Act of 1976, the Occupational Safety and Health Act of 1977, as amended, the Emergency Planning and Community Right-to-Know Act of 1986, the National Environmental Policy Act of 1975, the Oil Pollution Act of 1990, and any similar or implementing federal or state law, and any federal or state statute and any further amendments to these laws providing for financial responsibility for cleanup or other actions with respect to Hazardous Substances.

"Escrow Agent": U.S. Bank Trust National Association, a national banking association with offices in St. Paul, Minnesota.

"Escrow Agreement": the Escrow Agreement, dated as of the date hereof, by and between the Borrower, the Lender and the Escrow Agent as the same may from time to time be amended or supplemented in accordance with the terms thereof.

"Event of Default": as such term is defined in Section 7.

"Facility": as such term is defined in the Management Agreement.

"Final Maturity Date": May 20, 2002.

"Force Majeure": acts of God, fire, windstorm, flood, explosion, collapse of structure, riot, war, labor disputes, delays or restrictions by government bodies (other than the Tribe), inability to obtain or use necessary materials, or any other cause beyond the reasonable control of the Borrower.

"GAAP": generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of any date of determination.

"Gaming Commission": the St. Regis Mohawk Tribal Gaming Commission.

"Gaming Ordinance": the St. Regis Mohawk Tribal Gaming Ordinance, adopted December 16, 1993, as amended from time to time.

"Gaming Regulations": all state, federal and tribal laws, ordinances, rules, regulations and orders pertaining to the operation of a casino or the presence or use of gaming devices or the operation of gaming or gambling on or at the Facility, whether now or hereafter adopted or in effect.

"Government Authority": any government body or regulatory authority having jurisdiction over the Borrower, the Tribe or the Facility.

"Governmental Requirements": all laws, statutes, codes, ordinances and government rules, regulations and requirements applicable to the Borrower, the Lender, the Tribe and the Facility.

"Hazardous Substance": any hazardous or toxic material, substance or waste, pollutant or contaminant which is regulated under any applicable statute, law, ordinance, rule or regulation of any Government Authority with jurisdiction over the Premises, or its use, including but not limited to any material substance or waste which is (a) defined as a hazardous substance under any Environmental Laws; (b) a petroleum hydrocarbon, including crude oil or any fraction thereof and all petroleum products; (c) PCBs; (d) lead; (e) asbestos; (f) flammable explosives; (g)

infectious materials; (h) radioactive materials; or (i) defined or regulated as a hazardous substance or hazardous waste under any rules or regulations promulgated under any of the foregoing Environmental Laws.

"IGRA": the Indian Gaming Regulatory Act, Public Law 100-497, as such Act may be amended from time-to-time.

"Knowledge": when used in reference to the Borrower, shall include the knowledge of any current officer or director of either of the general partners of the Borrower (other than any suspended officer or director) and the knowledge of any current employee of the Borrower in good standing who in the ordinary course of Borrower's business, consistent with its past practice, would customarily have access to such type of information.

"License": as such term is defined in Section 4.10.

"Lien": any security interest, mortgage, pledge, lien, charge, encumbrance, title retention agreement or analogous instrument, in, of, or on any assets or properties, whether now owned or hereafter acquired, whether arising by agreement or operation of law, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"Loan": as such term is defined in Section 2.01.

"Loan Documents": this Agreement, the Note, the Escrow Agreement, the Notice of Pledge, and all agreements, instruments and documents heretofore, herewith or hereafter executed and delivered by the Borrower or any other Person pursuant to, or in connection with, the Loan evidenced by this Agreement.

"Management Agreement": the Fourth Amended and Restated Management Agreement dated November 7, 1997, between the Tribe and the Borrower, and the Addendum thereto, as the same may be permitted to be amended from time to time.

"Maximum Annual Debt Service Requirement": the highest amount of Senior Debt Service payable for the then current or any succeeding fiscal year; provided, however, that with respect to Senior Debt bearing interest at a variable or floating rate, Senior Debt Service shall be calculated by assuming that the interest rate borne by such Senior Debt is equal to the rate of interest then applicable, if such Senior Debt has been outstanding for less than one year, or the average rate of interest applicable during the immediately preceding twelve (12) months, if such Senior Debt has been outstanding for one year or more.

"Monthly Payment Date": the twentieth day of each month, beginning with March, 1999.

"Monthly Service Charges": the principal, interest, servicing fees and other fees and charges due with respect to the Note during each month.

"Note": the Promissory Note, in the aggregate principal amount of $3,492,000, payable to the order of the Lender, in the form attached hereto as Exhibit A, and all renewal or replacement notes therefor.

"Notice of Pledge": the Notice and Assignment of Pledge, dated February 12, 1999, between the Borrower, the Lender and the Tribe.

"Person": any natural person, corporation, partnership, joint venture, firm, association, trust, unincorporated organization, limited liability company, government or governmental agency or political subdivision or any other entity, whether acting in an individual, fiduciary or other capacity.

"Pledged Revenues": all payments of (i) management fees and (ii) repayment of Development Expenses, together with interest thereon at the rate provided in the Management Agreement, required to be made by the Tribe to the Borrower pursuant to the Management Agreement.

"Pledged Revenues Fund": the Pledged Revenues Fund established by the Escrow Agent pursuant to the terms of the Escrow Agreement.

"Premises": the parcel or parcels of land located on the Tribe's reservation on which the Facility is located, and the parcel owned by the Tribe adjacent thereto which provides access to State Route 37.

"Senior Debt": the Casino Note, the Note and any other Debt secured by a Lien on the Pledged Revenues on a parity with the Lien thereon of the Note.

"Senior Debt Service": for any time period, the aggregate of the payments to be made in respect of principal (whether by maturity, amortization or mandatory sinking fund redemption), interest, servicing fees and, without duplication, lease payments on outstanding Senior Debt.

"Termination Date": the date on which the Loan has been completely repaid pursuant to Section 2.

"Transfer": any sale, pledge, assignment, mortgage, encumbrance, security interest, consensual Lien, hypothecation, transfer or divestiture, the effect of which is to grant another an interest in the Facility or any portion thereof, either directly or indirectly, including an interest taken as security. Any change in the legal or equitable title of the Facility or in the beneficial ownership

of the Facility whether or not of record and whether or not for consideration shall be deemed a Transfer.

1.02. Certain Other Terms. For purposes of this Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with generally accepted accounting principles.

Section 2. The Loan.

2.01. Loan. The Lender, on the terms and conditions stated herein, shall lend to the Borrower a principal amount of $3,492,000 (the "Loan"), by paying to the Borrower the amount set forth in the closing statement dated the Closing Date. The Loan shall be evidenced by the Note.

2.02. Interest; Repayment.

(a) Interest on the unpaid principal balance of the Note from time to time outstanding (computed on a year of 360 days and twelve thirty-day months) shall accrue from the Closing Date and shall be payable at the applicable per annum rate therein provided. Interest on the Note, accrued through the day preceding each Monthly Payment Date, shall be payable by the Borrower upon the related Monthly Payment Date. Accrued and unpaid interest shall also be payable upon prepayment in full of the Note, and upon maturity of the Note.

(b) Commencing on June 20, 1999, and continuing on each Monthly Payment Date thereafter to and including the Final Maturity Date, the unpaid principal balance of the Note shall be payable in equal monthly installments of principal and interest sufficient to amortize fully the unpaid principal balance thereof by the Final Maturity Date.

(c) In the event any monthly installment payment of the principal of or interest on or servicing fees with respect to the Note is not paid when due (whether on the date scheduled therefor, upon acceleration, or otherwise) the Borrower shall pay a late charge equal to four percent (4.0%) of such late payment, but in no event shall such late charge exceed the maximum amount permitted by applicable law, to defray the costs of the Lender incident to collecting such payment.

2.03. Prepayments. In the event the Tribe exercises its option under the Management Agreement to repay the Development Expenses in whole or in part, with interest, in advance of the dates due, the Borrower shall prepay the principal outstanding under the Note and/or the principal outstanding under the Casino Note in an amount equal to the amount prepaid by the Tribe, without penalty. The Borrower also shall have the right to prepay the principal outstanding under the Note at its option from time to time, in whole or in part without penalty. All partial prepayments shall be applied pro rata based on the unpaid principal balance of the Note first to accrued interest and

servicing fees and then to the principal balance of the Note, in an amount at least equal to $100,000 and (ii) upon prepayment in full, interest accrued to the prepayment date shall be paid on such prepayment date. Any optional prepayment must be made on a Monthly Payment Date and must be preceded by at least fifteen (15) days' prior written notice to the Lender. No prepayment shall postpone the due dates or reduce the dollar amount of the monthly installment payments due pursuant to the terms of the Note.

2.04. Servicing Fee. A servicing fee on the unpaid principal balance of the Note from time to time outstanding (computed on the same basis as interest pursuant to Section 2.02(a)) shall accrue with respect to principal from the Closing Date at a per annum rate equal to one-fourth of one percent (0.25%) until May 20, 1999, and thereafter at a per annum rate equal to one-eighth of one percent (0.125%). Such servicing fee shall be payable by the Borrower to the Lender on each Monthly Payment Date and any accrued but unpaid servicing fee shall also be payable upon prepayment in full of the Note and upon maturity of the Note.

2.05. Payments. All payments and prepayments by the Borrower of principal of and interest on the Note, all servicing fees and other fees and expenses, and other obligations under this Agreement payable to the Lender, shall be paid on the date due by wire transfer to the Lender. If any payment or prepayment of principal of or interest on the Note or any servicing or other fee payable hereunder becomes due and payable on a day which is not a Business Day such payment shall be made on the next succeeding Business Day with the same force and effect as if made on the scheduled payment or prepayment date, and without additional interest or servicing fees accruing thereon.

2.06. Application of Payments. So long as an Event of Default does not exist, all payments shall be applied first to any costs of collection, then to late charges, then to interest and servicing fees and then to the principal outstanding under the Note, except that if any advance made by the Lender under the terms of any instruments securing the Note is not repaid, any monies received, at the option of the Lender, may first be applied to repay such advances, plus interest hereon, and the balance, if any, shall be applied as above. If an Event of Default exists, the Lender may apply any payments received to principal, interest, servicing fees, late charges or other amounts due from the Borrower in such order as Lender, in its sole discretion shall determine.

Section 3. Security. As security for the payment and performance of all payment and other obligations of the Borrower pursuant to the Note and this Agreement, the Borrower hereby pledges and grants a security interest to the Lender in the Pledged Revenues, second and subordinate only to the security interest granted to the Lender as security for the payment and performance of the Borrower's payment and other obligations with respect to the Casino Note. Pursuant to the Notice of Pledge, the Borrower has directed the Tribe to pay all Pledged Revenues to an escrow agent designated by the Borrower and the Lender. The Borrower and the Lender hereby agree that the Tribe shall be further directed to pay all Pledged Revenues to the Escrow Agent for deposit in the Pledged Revenues Fund created pursuant to the Escrow Agreement.

Section 4. Representations and Warranties. The Borrower represents and warrants to Lender that:

4.01. Organization, Powers, Etc. (a) The Borrower is a New York general partnership, duly organized and existing under its partnership agreement; (b) the Borrower has full power and authority to own its properties and to carry on its business as presently conducted; and (c) the Borrower has the power to execute, deliver and perform the Management Agreement and the Loan Documents.

4.02. Authorization of Borrowing, Etc. The execution, delivery and performance of the Loan Documents and the borrowings hereunder have been duly authorized by all requisite action of the Borrower and each of the general partners of the Borrower and will not violate any provision of law, any order of any court or other agency of government, the partnership agreement of the Borrower, or any provisions of any indenture, agreement or other instrument to which the Borrower or either of its general partners is a party or by which it or any of its properties is bound. The Loan Documents to which the Borrower is a party constitute the legal, valid and binding obligations of the Borrower, enforceable against it in accordance with their respective terms (subject to limitations as to enforceability which might result from bankruptcy, insolvency, or other similar laws affecting creditors' rights generally and subject to general equitable principles and Gaming Regulations).

4.03. Consents and Approvals. The authorization, execution and delivery of the Loan Documents are not and will not be subject to the jurisdiction, approval or consent of, or to any requirement of registration with or notification to, any Government Authority, other than, the Tribe and the Secretary of the Interior, Bureau of Indian Affairs and/or the National Indian Gaming Commission.

4.04. Litigation. Except as set forth in Exhibit C, there are no actions, suits or proceedings pending, or to the actual Knowledge of the Borrower threatened, against or affecting it, or to the actual Knowledge of the Borrower, the Tribe or the Facility, or involving the validity or enforceability of the Management Agreement or any of the Loan Documents or the priority of the lien thereof, or any basis therefor, at law or in equity, or before or by any Government Authority, except actions, suits and proceedings which, if adversely determined (i) would not have a material adverse effect on the condition (financial or otherwise), business, properties or assets of the Borrower or the Tribe, but solely with respect to its interest in and operation of the Facility, or (ii) would not substantially impair the ability of Borrower to perform each and every one of its obligations under and by virtue of the Loan Documents; and it is not in default with respect to any order, writ, injunction, decree or demand of any court or any Government Authority. To the actual Knowledge of the Borrower, there has not been any submission or call for a vote of the members of the Tribe on any ordinance, resolution or other matter pertaining to the Management Agreement, the Notice of Pledge or the Facility.

4.05. Compliance With Law. No consent, approval or authorization of, or registration, declaration or filing with, any Government Authority which has not been obtained is

required on the part of the Borrower in connection with the execution and delivery of the Loan Documents or the compliance with the terms, provisions or conditions thereof, or, if so required, such consent, approval or authorization has been requested and/or obtained. To the Knowledge of the Borrower, the Borrower is not in violation of or subject to any contingent liability on account of any statute, law, rule, ordinance, order, writ, injunction or decree. To the actual Knowledge of the Borrower, the Tribe is not in violation of or subject to any contingent liability on account of any statute, law, rule, ordinance, order, writ, injunction or decree.

4.06. Financial Statements. The financial statements of the Borrower that have been presented to the Lender fairly present the financial position thereof as of such dates and the results of operations for the periods shown and have been prepared in accordance with GAAP. There have been no material adverse changes in the condition, financial or otherwise, of the Borrower, since the date of the most recent financial statements presented to the Lender.

4.07. True and Correct Information. All financial and other information provided to the Lender by the Borrower in connection with the Borrower's request for the Loan are true and correct in all material respects and, as to projections or valuations, present a good faith opinion as to such projections and valuations.

4.08. Loan Not for Purpose of Margin Stock. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of the Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

4.09. Loan Not to Acquire a Security. No proceeds of the Loan will be used to acquire any security in any transaction which is subject to Sections 13 and 14 of the Securities Exchange Act of 1934.

4.10. Licenses; Investigations; Compliance.

(a) Licenses. The Borrower has all requisite power and authority and now holds, or will hold prior to the date necessary in order to operate the Facility, all necessary licenses, authorizations, approvals, permits, franchises, consents, privileges, waivers and certificates to operate the Facility ("Licenses"). Each such License which is necessary to the operation of the Facility will be validly issued and in full force and effect, and the Licenses will constitute in all material respects, all of the authorizations necessary for the operation of the Facility, in the manner as it is contemplated to be conducted. The Borrower has fulfilled and performed all of its obligations with respect thereto which are capable of being performed as of the date hereof, and complete and correct copies of all material Licenses now in effect have been delivered to Lender. No event has occurred which: (1) results in, or after notice or lapse of time or both would result in, suspension, surrender, failure to renew,

revocation or termination of any material License; or (2) materially and adversely affects or in the future may (so far as the Borrower can now reasonably foresee) materially adversely affect any of the rights of the Borrower thereunder.

(b) Investigations. Except as described in Exhibit C, the Borrower is not a party to and the Borrower does not have any Knowledge of any investigation, notice of violation, order or complaint issued by or before any court or regulatory body or of any other proceedings which could in any manner result in suspension, surrender, failure to renew, revocation or termination of any material License or otherwise threaten or adversely affect the validity or continued effectiveness of the Licenses of the Borrower. The Borrower has no reason to believe that any Licenses will not be renewed in the ordinary course. The Borrower has fully cooperated with every regulatory body having jurisdiction over any of the Licenses or the activities of the Borrower with respect thereto, including, without limitation, the National Indian Gaming Commission, and the Borrower has filed all material reports, applications, documents, instruments, and information required to be filed by it pursuant to applicable laws, rules and regulations.

(c) Bonding. The Borrower has posted all required bonds required under its Licenses.

(d) No Other Laws and Regulations. The conduct of the Borrower's business in connection with the Facility is not subject to registration with, notification to, or regulation, licensing, franchising, consent or approval by any state or federal governmental authority or administrative agency, except for the Tribal/State Compact with the State of New York and the laws and regulations promulgated by or associated with the Tribe or the Gaming Commission, and except general laws and regulations which are not related or applicable particularly or uniquely to the operation of the Facility, which do not materially restrict or limit the operation of the Facility, and with which the Borrower is in substantial compliance.

4.11. Intended Use of Loan Proceeds. The intended use of the proceeds of the Loan is for the purpose of paying Development Expenses.

4.12. No Usury. The transaction evidenced by this Agreement does not violate any applicable law of the State of New York pertaining to usury or the payment of interest on loans.

4.13. Participation of Directors, Officers and Employees. To the Knowledge of the Borrower, no officer, employee or agent of, or consultant to, the Borrower is prohibited by law, by regulation, by contract, or by the terms of any license, franchise, permit, certificate, approval or consent from participating in the business of the Borrower as officer, employee or agent of, or is the subject of any pending or, to the actual Knowledge of the Borrower, threatened proceeding which, if determined adversely, would or could result in such a prohibition.

4.14. Status of Borrower. The Borrower is not insolvent (as such term is defined in Section 101(32) of the Bankruptcy Code of 1978, as amended) and will not be rendered insolvent (as such term is defined in Section 101(32) of the Bankruptcy Code of 1978, as amended) by execution of this Agreement, the Note, or any other Loan Document or consummation of the transactions contemplated thereby.

4.15. Agreements. The Borrower is not party to any agreement or instrument or subject to any charter which materially adversely affects its business, properties or assets, operations or condition (financial or otherwise). The Borrower is not in material default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party.

4.16. ERISA. Each employee benefit plan ("Plan") covered by Title IV of the Employee Retirement Income Security Act of 1974 and the rules and regulations thereunder ("ERISA") maintained, established, sponsored or contributed to by the Borrower or any member of a group which is under common control with the Borrower (the Borrower's "ERISA Affiliates"): (i) complies in all material respects with ERISA and the Internal Revenue Code of 1986 (the "Code") including, without limitation, all applicable funding standards of Part 3 of Subtitle B of Title I of ERISA or Section 412 of the Code; (ii) is solvent; and (iii) is not subject to any termination proceeding. Neither the Borrower nor any of its ERISA Affiliates has any liability under Title IV of ERISA to the Pension Benefit Guaranty Corporation ("PBGC") or any other person with respect to any such Plan; and neither the Borrower nor any of its ERISA Affiliates contributes to or has contributed to any multiemployer plan (as defined in Section 4001(a)(3) of ERISA) which is a defined benefit plan.

4.17. Gaming Matters. To the Knowledge of the Borrower, the Tribe's Tribal/State Compact with the State of New York and the Tribe's Gaming Ordinance remain in full force and effect in the same form as most recently furnished to the Lender.

4.18. Title to Premises. Based on a quitclaim deed from 100 Lindbergh Boulevard Corp. to the Tribe dated 11/10/97 and a right to use and occupancy deed from Ronald Cree to the Tribe dated 11/1/93, title to the Premises is held by the Tribe, subject to restrictions on alienation.

4.19. Environmental Impact Statement. To the Knowledge of Borrower, all required environmental impact statements, if any, as required by any Government Authority with respect to the Premises, have been duly filed and approved.

4.20. Access. The Premises front on a publicly maintained road or street and have legal access to the same through governmentally approved curb cut permits.

4.21. Flood Plain. Based solely on a survey of Haynes & Smith Associates dated February 18, 1999, the Premises are not located in a 100 Year Flood Plain as determined by the Federal Emergency Management Agency or the Federal Insurance Administration.

4.22. Hazardous Substances Representations of Borrower. Except as may have been disclosed to Lender in the Environmental Audit, as of the date hereof to the actual Knowledge of the Borrower, no Hazardous Substances are located on the Premises, except as permitted by law and in compliance with all Environmental Laws, which would result in a material adverse effect on the condition (financial or otherwise), business, properties, or assets of Borrower.

4.23. Intellectual Property. Borrower possesses adequate licenses (including, without limitation, licenses related to computer programs), permits, franchises, patents, copyrights, trademarks and trade names, or rights thereto, to conduct its business substantially as now conducted.

4.24. Availability of Utilities. All utility services necessary for the proper operation of the Facility for its intended purposes are available at the Premises or will be made available to the Premises prior to completion of construction of the Facility at standard utility rates and hook-up charges, including water supply, storm and sanitary sewer facilities, gas, electricity and telephone facilities. Borrower shall furnish evidence of such availability of utilities from time to time at Lender's request either in the form of letters from the utility agencies to that effect.

4.25. Building Permits. All building permits required for the construction of the Facility have been obtained and paid for.

4.26. Condition of Real Property. The real property on which the Facility is located is not now damaged or injured as a result of any fire, explosion, accident, flood or other casualty, nor subject to any action in eminent domain.

4.27. Final Plans and Specifications. The plans and specifications with respect to the Facility have been approved by all Government Authorities, conform to all final approval resolutions and conditions of any Government Authority and include the recommendations made by the state fire marshall.

4.28. Architectural and Other Contracts. The architectural contract with respect to the Facility is in full force and effect and no default exists under such contract and the Borrower will perform its obligations thereunder and cause the architect to perform its obligations thereunder. The construction contracts are in full force and effect and no default exists under such contracts and the Borrower will perform its obligations under such contracts, and will cause the general contractor to perform its obligations under such contracts.

4.29. No Prior Pledges. Other than the pledge of the Pledged Revenues to the payment of the Casino Note, which pledge is prior to the pledge granted to the Lender in Section 3, the Borrower has made no pledge of any of its interest in the Pledged Revenues. There is no Lien on the Borrower's interest in and to the Pledged Revenues other than the Lien of this Agreement and the Lien granted to the Lender to secure payment of the Casino Note, which Lien is prior to the Lien granted to the Lender in Section 3.

Section 5. Conditions Precedent.

5.01. Effectiveness of Agreement. This Agreement shall become effective upon its execution and delivery by the parties hereto and when the Lender shall have received in form and substance satisfactory to it:

(a) the Note, the Escrow Agreement and the Notice of Pledge duly executed and approved by the appropriate parties;

(b) a copy of the resolution of the Tribe authorizing the execution and delivery of the Notice of Pledge;

(c) a copy of authorizing action by each of the general partners of the Borrower authorizing the execution, delivery and performance of the Loan Documents certified by the general partners;

(d) certificates as to the incumbency and signature of the person or persons authorized to execute and deliver the Loan Documents to be delivered by the Borrower;

(e) the favorable opinion of Walter Horn, Esq., counsel for the Borrower, in form and substance satisfactory to Lender, as to such matters incident to the transaction herein contemplated as the Lender may reasonably require;

(f) executed copies of the Borrower's Partnership Agreement, the Borrower's Certificate of Partnership, the Management Agreement, the Tribal/State Compact between the Tribe and the State of New York, the Gaming Ordinance and the Borrower's gaming License with evidence of the approvals of all applicable Government Authorities necessary to make such documents and agreements effective and enforceable;

(g) three copies of a current perimeter land survey of the Premises prepared by a reputable, registered land surveyor, certified and prepared in form and substance satisfactory to Lender and otherwise complying with the Minimum Standard Detail Requirements for an Urban Land Title Surveys as adopted by American Title Association and American Congress of Surveying and Mapping in 1992 including Item Nos. 1, 2, 3, 4, 6, 7(a), 7(b)(1), 8, 9, 10, 11 and 13 of Table A of the Requirements, certifying the description of the Premises, showing all encroachments onto or from the Premises, showing access rights, easements, or utilities, rights of way affecting such real property, showing all setback requirements upon the Premises, showing any existing improvements, showing matters affecting title, and showing such other items as Lender may reasonably request;

(h) evidence of the insurance coverage required by Section 6.02 hereof;

(i) the Environmental Audit;

(j) Evidence of title with respect to the Premises;

(k) a UCC Search with respect to the Borrower, including all names under which it does business;

(l) evidence satisfactory to the Lender that the Borrower is licensed by the Tribe and by the State of New York; and

(m) such other documents, instruments, approvals or opinions as the Lender may reasonably request.

Section 6. Covenants. The Borrower covenants and agrees that from the date hereof until payment in full of the principal of and interest on the Loan, unless the Lender shall otherwise consent in writing, the Borrower will:

6.01. Existence, Properties, Etc. Do or cause to be done all things necessary to preserve and keep in full force and effect its existence, and conduct and operate its business substantially as being conducted on the Closing Date.

6.02. Insurance and Bonds. Obtain and maintain throughout the term of the Loan such insurance and bonds against such risks and in such amounts, with such deductible provisions, as are customary in connection with the operation of its business, including the Facility, with insurers with a current Best's Insurance Guide rating of at least A+XIII and a current Standard & Poor's claims paying ability of AAA, and with the Borrower, the Tribe and the Lender named as insured, as their interests may appear, including standard waiver of subrogation clauses and written agreement by the insurer or insurers therein to give the Lender thirty (30) days' prior written notice of intent to cancel or to change the terms and conditions of the policy, including specifically, but not limited to the following coverages:

6.2.1. Builder's Risk Insurance - Builder's Risk Insurance written on a completed value basis in an amount equal to 100% of the replacement cost of the Facility at the date of completion with coverage available on the so-called non-reporting "all risk" form of policy, including coverage against collapse and water damage, special cause of loss, delayed completion coverage (in an amount not less than payments on the Loan), coverage for indirect loss exposures, demolition costs coverage, increased cost of construction coverage and increased time to rebuild coverage, with no co-insurance, and with a maximum deductible of $5,000.

6.2.2. Contractor's Public Liability - Comprehensive general liability insurance (including premises and operations, contractors protective liability, contractual obligations and products/completed operations) with the exclusion for explosion, collapse and underground property removed, in amounts and coverage of at least $5,000,000, with a maximum deductible of $5,000.

6.2.3. Workmen's Compensation - Workmen's compensation coverage in the required statutory amounts or evidence of self-insurance in conformance with all Governmental Requirements.

6.2.4. Boiler Insurance - Commencing on the earlier of completion of the Facility or the opening of business therein, Broad Form Boiler and Machinery Insurance covering physical damage to the Facility, pressure vessels, pressure piping and other equipment insurable with full replacement cost endorsement, and with a maximum deductible of $5,000.

6.2.5. Flood Insurance - Flood insurance in the full replacement cost of the Facility if the Premises are within the 100 Year Flood Plain.

6.2.6. Hazard Insurance - Commencing on the earlier of completion of the Facility or the opening of business therein, All Risk Hazard Insurance against loss by fire, lightning and risks customarily covered by Fire and Extended Coverage insurance, including special cause of loss and earthquake coverage, with no exclusion for "collapse" , with blanket coverage for buildings and contents, in an amount equal to the full replacement cost of the Facility with stipulated value/agreed amount endorsement, sprinkler leakage endorsement and no co-insurance, and with a maximum deductible of $5,000.

6.2.7. Public Liability Insurance - Commencing on the earlier of completion of the Facility or the opening of business therein, Comprehensive General Public Liability Insurance covering the legal liability of the Borrower against claims for bodily injury, death or property damage occurring on, in or about the Facility with a combined single limit of not less than $5,000,000, with a maximum deductible of $5,000; automobile liability coverage (including coverage for hired and non-owned vehicles) with a combined single limit of not less than $3,000,000, with a maximum deductible of $5,000; and if liquor is sold on the Premises, Liquor Liability Coverage ("Dram Shop" coverage) in the minimum amount of (i) $3,000,000 or (ii) amounts as may be required by applicable law, with a maximum deductible of $5,000.

6.2.8. Business Interruption Insurance - Commencing on the earlier of completion of the Facility or the opening of business therein, insurance covering actual losses in gross operating earnings resulting directly from necessary interruption of business caused by risks of direct physical loss of real or personal

property constituting part of the Facility, subject to policy exclusions, less charges and expenses which do not necessarily continue during the interruption of business, for such length of time as may be required with the exercise of due diligence and dispatch to rebuild, repair or replace such properties as have been damaged or destroyed, but not less than one year, with limits equal to at least 100% of the Maximum Annual Debt Service Requirement for all Senior Debt.

6.2.9. Theft - Commencing on the earlier of completion of the Facility or the opening of business therein, insurance for all losses of Pledged Revenues caused by theft and embezzlement, including endorsements for coverage for employee theft, premises, transit, depositor's forgery, computer theft and funds transfer fraud, and money destruction.

All insurance policies maintained by the Borrower pursuant to the foregoing provisions of this Section 6.02 shall provide that any losses payable thereunder shall be payable to the Tribe, the Borrower and/or the Lender, as their interests appear. The Borrower shall cause the originals or certified copies of the policies of all such insurance to be deposited with the Lender. At least fifteen (15) days prior to the date on which the premiums on each such policy shall become due and payable, the Borrower shall furnish the Lender with proof reasonably satisfactory to the Lender of payment thereof. In the event of loss, the Borrower shall immediately give written notice thereof to the Lender. In no event shall the Lender be held responsible for failure to pay for any insurance required hereby or for any loss or damage growing out of a defect in any policy thereof or growing out of any failure of any insurance company to pay for any loss or damage insured against or for failure by the Lender to obtain such insurance or to collect the proceeds thereof.

6.03. Collection of Proceeds. Cooperate with the Lender in obtaining for Lender the benefits of any insurance, bonds or other proceeds lawfully or equitably payable to it in connection with the transaction contemplated hereby and the collection of any indebtedness or obligation of the Borrower to the Lender incurred hereunder.

6.04. Payments of Debt, Taxes, Etc. (a) Pay all of its Debt and obligations in an amount in excess of $250,000 promptly, including promptly and timely performing all covenants, agreements and promises under the Note and the other Loan Documents, and (b) pay and discharge or cause to be paid and discharged promptly all taxes, assessments, and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, or upon the Premises, before the same shall become in default, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might become a lien or charge upon any of such properties; provided, however, that the Borrower shall not be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and the Borrower shall have set aside on its books adequate reserves with respect to any such tax, assessment, charge, claim or levy to the extent required by its auditors in order to comply with GAAP.

6.05. Financial Statements. Furnish the Lender with current financial information regarding the Borrower and the operation of the Facility as the Lender may reasonably require. During the term of the Loan the Borrower shall provide to the Lender:

(i) *Annual Audit of Facility.* Within one hundred twenty (120) days of the end of each fiscal year of the operation of the Facility, copies of audited financial statements including detailed audit reports and management letters prepared by an Accountant in connection with each annual audit of the operation of the Facility prepared in conformity with GAAP and other applicable laws and regulations.

(ii) *Quarterly Financial Statements.* Unless the annual audit of the Facility received by the Lender shows that the ratio of the Pledged Revenues for the fiscal year of the Borrower most recently ended, to the Maximum Annual Debt Service Requirement for the same period of time on the Casino Note, the Note, all other outstanding Senior Debt and the proposed Senior Debt, is greater than 2.00 to 1.00, when available, but in no event later than 45 days after the end of the preceding fiscal quarter, unaudited financial statements relating to the operation of the Facility during the preceding fiscal quarter and the fiscal year to date.

(iii) *Reports.* Upon the written request of the Lender, all reports required by law and applicable regulations submitted to or received from any federal, state or tribal gaming authorities.

(iv) *Tax Returns.* Promptly after required by federal law to be prepared, the annual federal tax return of the Borrower.

(v) *Other Information.* With reasonable promptness, from time to time, such other information regarding the operations, business, affairs and financial condition of the Borrower as the Lender may reasonably request, and subject to the Borrower's reasonable confidentiality requirements.

In the event the Borrower fails to furnish any such statements or information within forty-five (45) days after written request to the Borrower, the Lender may cause an audit to be made of the respective books and records at the sole cost and expense of the Borrower. Lender also shall have the right to examine at their place of safekeeping at reasonable times and upon reasonable notice all books, accounts and records of the Borrower relating to the operation of the Facility.

6.06. Hazardous Substance. So long as the Management Agreement has not been terminated, (a)(i) comply with, and, insofar as it has oversight over the Premises pursuant to the Management Agreement, require all occupants of the Premises to comply with, all applicable laws, rules, regulations and orders with respect to the discharge, generation, removal, transportation, storage and handling of Hazardous Substances, (ii) remove any Hazardous Substances existing in or on the Premises in violation of any Environmental Law promptly upon discovery of same, in

accordance with applicable laws, ordinances and orders of Government Authorities, (iii) pay or cause to be paid all costs associated with such removal, and (iv) indemnify the Lender from and against all losses, claims and costs arising out of the migration of Hazardous Substances from or through the Premises onto or under other properties; (b) keep the Premises free of any lien imposed pursuant to any applicable law, rule, regulation or order in connection with the existence of Hazardous Substances on the Premises; (c) not install or permit to be installed or to exist in or on the Premises any asbestos, asbestos-containing materials, urea formaldehyde insulation or any other chemical or substance which has been determined to be a hazard to health and environment, except as permitted by and in compliance with all Environmental Laws; and (d) not cause or permit to exist, as a result of an intentional or unintentional act or omission on the part of the Borrower or any occupant of the Premises, a releasing, spilling, leaking, pumping, emitting, pouring, emptying or dumping of any Hazardous Substances onto the Premises or into waters or other lands; and (e) give all notifications and prepare all reports required by Environmental Laws or any other law with respect to Hazardous Substances existing on, released from or emitted from the Premises.

6.07. Notice of Litigation. Give prompt written notice to the Lender of the commencement of any action, suit or proceeding before any court or arbitrator or any governmental department, board, agency or other instrumentality directly affecting the Tribe, the Borrower or any property of the Tribe or the Borrower or to which the Tribe or the Borrower is a party, in which an adverse determination or result could have a material adverse effect on the business, operations, property or condition (financial or otherwise) of the Facility or the Borrower or on the ability of the Borrower to perform its obligations under this Agreement and the other Loan Documents, as the case may be, stating the nature and status of such action, suit or proceeding.

6.08. Change in Nature of Business. Not make any material adverse change in the nature of the business of the Borrower conducted at the Facility as carried on at the date hereof or as contemplated at the date hereof as previously disclosed in writing to the Lender.

6.09. No Defaults. Not permit any material breach, default or event of default to occur with respect to the Borrower under any note, loan agreement, indenture, lease, mortgage, contract for deed, security agreement or other contractual obligation binding upon the Borrower which is not cured within the applicable cure provisions thereof.

6.10. Lien Searches. Promptly deliver to the Lender any and all lien searches as the Lender may reasonably request from time to time in connection with the Loan (but not more than one each year unless an Event of Default has occurred).

6.11. Further Assurances. From time to time at its expense execute and deliver or endorse any and all instruments, documents, conveyances, assignments and other agreements and writings, make any records, file any notices, and obtain any consents, all as may be necessary or appropriate in connection herewith, which the Lender may reasonably request, in order to cure any defects in the creation, execution and delivery of this Agreement or protect, perfect or enforce the Loan Documents or the rights of the Lender under this Agreement (but any failure in request to

assure that the Borrower executes, delivers, or endorses any such item shall not affect or impair the validity, sufficiency or enforceability of the Loan Documents, regardless of whether any such item was or was not executed, delivered or endorsed in a similar context or on any other occasion).

6.12. ERISA. Comply in all material respects with the Employee Retirement Income Security Act of 1974 to the extent applicable.

6.13. Notice of Events of Default. Furnish to the Lender as soon as possible and in any event within two (2) Business Days after the Borrower has obtained actual Knowledge of the occurrence of an Event of Default, or an event which with the giving of notice or lapse of time or both would constitute an Event of Default, which is continuing on the date of such statement, a statement signed by the Borrower setting forth details of such Event of Default or event and the action which the Borrower has taken, is taking or proposes to take to correct the same.

6.14. Licenses. Obtain and hold all necessary and convenient Licenses with respect to the business operations of the Borrower.

6.15. Conduct of Business. Preserve all of the rights, privileges, and franchises necessary or desirable in the normal conduct of its business; conduct such business in an orderly, efficient and regular manner; not assign this Agreement or any interest herein or all or any part of any Loan to be made hereunder without the prior written consent of the Lender; and not liquidate, merge, dissolve, suspend business operations or sell or lease all or substantially all of its assets, whether in one transaction or a series of related transactions, without the prior written consent of the Lender.

6.16. Application of Loan Proceeds. Use the proceeds of the Loan solely for the purpose of paying the Development Expenses, and in no event to use any of the Loan proceeds for personal, or other purposes.

6.17. Material Effect. Transmit to the Lender, immediately upon receipt thereof, any communication which could materially adversely affect Lender's security for the Loan or have a material adverse effect on the financial condition of the Borrower and will promptly respond fully to any inquiry of the Lender made with respect thereto.

6.18. Inspections/Books and Records. At all times keep proper books of record and accounts for itself and its operations thereon, and, upon two (2) Business Days written request of the Lender, and subject to the confidentiality requirements of Section 8.23, permit any duly authorized representative of the Lender access during normal business hours to, and permit such representative to reasonably examine, copy or make extracts from, any and all books, records and documents in the Borrower's possession or control relating to the Facility or any of the representations or covenants of the Borrower hereunder or in the Loan Documents (such access to be given immediately upon request in the case of any emergency or a material change in financial or other condition of the Borrower).

6.19. Escrow Agreement. Comply with all the terms of the Escrow Agreement.

6.20. Compliance With Governmental Requirements and Laws. Comply in all material respects with all terms of the Tribal/State Compact, the Gaming Ordinance, the Gaming Regulations, and all applicable Governmental Requirements, wetlands restrictions and regulations, and private covenants binding on the Borrower or the Premises, including, without limitation, environmental protection and equal employment regulations and appropriate supervising boards of fire underwriters and similar agencies, the Indian Health Service and the requirements of any insurer issuing coverage with respect to the Borrower or the Facility, the non-compliance with which could have a material adverse effect on the business, operations, assets or financial or other condition of Borrower or the ability of the Borrower to perform its obligations under this Agreement, the other Loan Documents or the Management Agreement, except where diligently contested in good faith and by proper proceedings; obtain or cause to be obtained as promptly as possible any License and make any filing or registration therewith which at the time shall be required with respect to the performance of its obligations under this Agreement or the other Loan Documents or for the operation of its business as presently conducted or as contemplated by it; and promptly provide written notice to the Lender of the receipt of any notice of any investigation or charge of violation thereof from any Government Authority or of any administrative or adjudicative proceedings which could in any manner result in the termination of any License or could reasonably be expected to have a material adverse effect on its business, assets, operation or condition, financial or otherwise, and in such event shall provide the Lender with such additional reports and information as the Lender may reasonably require.

6.21. Regulation G, T and X. Use the net proceeds from the sale of the Loan to pay the Development Expenses. None of the transactions contemplated in this Agreement (including, without limitation thereof, the use of proceeds from the Loan) will violate or result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended, or any regulation issued pursuant thereto, including, without limitation, Regulations G, T and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. None of the proceeds from the Loan will be used to (i) purchase any "security" within the meaning of the Securities Exchange Act of 1934, as amended, or (ii) refinance any borrowing, the proceeds of which were used to purchase any such "security".

6.22. Management Agreement. Not terminate the Management Agreement without the consent of the Lender, nor amend, modify, terminate or release any provision of the Management Agreement relating to the amount and payment of the Pledged Revenues without the consent of the Lender.

6.23. No Merger. Not consolidate or merge with any other entity; or acquire any business; or acquire stock of any corporation; or enter into any partnership or joint venture.

6.24. Loans or Advances. Except for distributions as permitted by Section 6.25, not make any loan or advance to, or otherwise extend any credit to Borrower's officers or to any affiliate of Borrower, in an aggregate amount in excess of $250,000 outstanding from time to time.

6.25. Distributions. Not make any distribution of funds to any affiliate of Borrower, unless and until and only so long as the current month's Monthly Service Charges have been fully paid and no Event of Default, nor any event which with the passing of time or the giving of notice or both would constitute an Event of Default, has occurred and is then existing.

6.26. Guaranties. Not assume, guarantee, endorse or otherwise become liable upon the obligation of any person, firm or corporation except pursuant to the Loan Documents or by endorsement of negotiable instruments for deposit or collection in the ordinary course of business, nor sell any notes or accounts receivable with or without recourse.

6.27. Operation of Facility. Take all reasonable steps to assert its rights and remedies under the Management Agreement and any other agreement with the Tribe so as to ensure that the Facility is continuously operated.

6.28. Maintenance of Properties, Etc. Maintain, repair and preserve the Facility and all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted, and from time to time make or cause to be made all necessary and proper replacements, repairs, renewals and improvements so that the efficiency and value of its properties and facilities will not be materially impaired.

6.29. Gaming Termination. Promptly after learning thereof, notify the Lender in writing of any termination, revocation, suspension or limitation or proposed or threatened termination, revocation, suspension or limitation by any Government Authority of the authority of the Tribe or the Borrower to operate the Facility as a Class II and Class III gaming facility in accordance with the Tribal/State Compact of the Tribe with the State of New York.

6.30. Additional Debt. Not incur, nor permit the incurrence of, any additional Senior Debt except: (i) with the written consent of the Lender; or (ii) before incurring such Senior Debt the Borrower submits to the Lender a certificate confirming that the ratio of the Pledged Revenues for the fiscal year of the Borrower most recently ended, to the Maximum Annual Debt Service Requirement for the same period of time on the Casino Note, the Note, all other outstanding Senior Debt and the proposed Senior Debt, is greater than 2.00 to 1.00.

6.31. Year 2000. Take all action necessary to assure that there will be no material adverse change to Borrower's operation of the Facility by reason of the advent of the year 2000, including without limitation, that all computer-based systems, embedded microchips and other processing capabilities effectively recognize and process dates after December 31, 1999.

6.32. Construction. Continuously, diligently and with reasonable dispatch, pursue construction of the Facility to completion, and supply such moneys and perform such duties as may be necessary to complete the construction of the Facility in a workmanlike manner pursuant to all contract documents therefor and the requirements of the Management Agreement and in full compliance with all terms and conditions of this Agreement and the Loan Documents, all of which shall be accomplished on or before the Completion Date and without liens, claims or assessments (actual or contingent) asserted against the Premises for any material, labor or other items furnished in connection therewith, and all in full compliance with all construction, use, building, zoning, environmental laws and other similar requirements of any pertinent government jurisdiction, evidence of satisfactory compliance with all of which Borrower will provide to Lender upon written request therefor by Lender.

Section 7. Events of Default. Upon the occurrence of any of the following events (hereinafter called Events of Default):

(a) any representation or warranty made herein or in any of the Loan Documents or any written report, certificate, financial statement or other instrument heretofore or at any time hereafter furnished by or on behalf of the Borrower to the Lender shall prove to have been false or misleading in any material respect when made;

(b) failure to pay the principal of, interest on or servicing fee with respect to the Loan (the "Obligations") when due;

(c) default in the Borrower's covenants set forth in Section 6.22;

(d) default in any other covenant or agreement binding on the Borrower under any of the Loan Documents which default is not cured within fifteen (15) Business Days after written notice thereof shall have been given by the Lender to the Borrower for any default which can be reasonably cured within fifteen (15) Business Days, and a reasonable period of time for a default not reasonably capable of cure within fifteen (15) Business Days provided the Borrower diligently commences and continues a course of action to so cure;

(e) failure to pay any other Debt of the Borrower with a principal amount of $250,000 or more when due, or default in the performance of any other obligation incurred in connection with any such Debt of the Borrower, if the effect of such default is to accelerate the maturity of such Debt or to permit the holder thereof to cause such Debt to be accelerated;

(f) subject to Force Majeure, failure to complete the Facility by the Completion Date, or within sixty (60) days thereafter if the Borrower provides

evidence to the Lender that it is proceeding with due diligence to complete the Facility;

(g) the occurrence of a non-permitted Transfer;

(h) any lien for labor, material, taxes or otherwise, in an amount equal to $50,000 or greater, shall be filed against the Premises and such lien shall not be released or bonded over to Lender's satisfaction within thirty (30) days after the filing thereof;

(i) any suit shall be filed against the Borrower or the Tribe related to the Facility which (1) creates a stoppage of the work or enjoins the ongoing construction and (2) which, if adversely determined, would substantially impair the ability of the Borrower to perform its obligations under the Loan Documents, and which in either case is not dismissed or stayed within thirty (30) days after its filing;

(j) any suit shall be filed against the Borrower or the Tribe related to the Facility which, if adversely determined, would substantially impair the ability of the Borrower to perform its obligations under the Loan Documents, and which is not dismissed or stayed within thirty (30) days after its filing;

(k) a levy be made under any process on the Premises in an amount equal to $50,000 or greater and such levy shall not be immediately bonded over and shall continue unstayed for sixty (60) days or more;

(l) the Borrower abandons the Facility or delays or ceases work thereon for a period of thirty (30) days, or delays construction or suffers construction to be delayed for any period of time for any reason whatsoever, other than Force Majeure, so that completion of Facility cannot be accomplished in the judgment of the Lender within sixty (60) days following the Completion Date;

(m) the Borrower shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (v) be adjudicated insolvent or be the subject of an order for relief under any chapter of the Bankruptcy Code (11 U.S.C. Section 101, et seq.), (vi) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or (vii) acquiesce to, or fail to controvert in a timely manner, any petition filed against it in an involuntary case under such bankruptcy laws;

(n) a case or other proceeding shall be commenced, without the application or consent of the Borrower, in any court of competent jurisdiction, seeking the liquidation, reorganization, dissolution, winding up, or composition or readjustment of debts, of the Borrower, the appointment of a trustee, receiver, custodian, liquidator or the like of the Borrower or of all or any substantial part of its assets, or any similar action with respect to the Borrower under the federal bankruptcy laws (as now or hereafter in effect) or any other laws relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of ninety (90) days, or an order for relief against the Borrower shall be entered in an involuntary case under such bankruptcy laws.

(o) the Borrower shall fail to maintain its existence as a New York general partnership, shall dissolve or shall take steps to wind up its business;

(p) if a garnishment summons or writ of attachment in an amount equal to $50,000 or greater is issued against or served upon the Lender for the attachment of any property of the Borrower in the Lender's possession or any indebtedness owing to the Borrower, unless appropriate papers are filed by the Borrower contesting the same within thirty (30) days after the date of such service or such shorter period of time as may be reasonable in the circumstances;

(q) any judgment, writ of attachment or similar process in an amount in excess of $250,000, and not fully covered by insurance, shall be entered or filed against the Borrower or any property of the Borrower which remains unpaid, unvacated, unbonded or unstayed for a period of thirty (30) days or more;

(r) the Borrower fails to provide the Lender with financial information in accordance with this Agreement within the time periods set forth in Section 6.05 of this Agreement;

(s) the Borrower or the Tribe shall violate any term or provision of the Tribe's Tribal/State Compact with the State of New York, the Gaming Ordinance or the Gaming Regulations which violation materially impairs the continued operation of the Facility, or there shall be any material adverse amendment to such Tribal/State Compact, the Gaming Ordinance or the Gaming Regulations that materially impairs the continued operation of the Facility; or any termination, revocation, suspension or limitation or proposed or threatened termination, revocation, suspension or limitation by any Government Authority of the authority of the Tribe to operate the Facility as a Class II and Class III gaming facility which actual or proposed termination, revocation, suspension or limitation materially impairs the continued operation of the Facility; or the Tribe ceases gaming activities at the Facility;

then, the Lender, upon such occurrence or at any time thereafter until such Event of Default is cured the written satisfaction of the Lender, may exercise one or more of the following rights and remedies:

(a) declare all unmatured Obligations to be immediately due and payable, and the same shall thereupon be immediately due and payable, without presentment or other notice or demand (but Lender expressly reserves the right to demand payment of any Obligation payable on demand, at any time, whether or not an Event of Default has occurred or is continuing);

(b) without notice or demand, offset any indebtedness the Lender or any of its participants, successors or assigns then owes the Borrower, whether or not then due, against any obligation then owned to the Lender or any of its participants, successors or assigns by the Borrower, whether or not then due;

(c) exercise or enforce any and all other rights or remedies available by law or agreement against the Borrower; and

(d) exercise or enforce any and all other rights or remedies available under any other Loan Documents.

Section 8. Miscellaneous.

8.01. No Waiver; Remedies Cumulative. No failure on the part of the Lender to exercise and no delay in exercising any right, power or privilege under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided in the Loan Documents are cumulative and not exclusive of any remedies provided by law or in equity or by statute.

8.02. Notices. Notices permitted or required to be given hereunder shall be deemed sufficient if given by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective addresses of the parties or at such other addresses as the respective parties may designate by like notice from time to time. Notices so given shall be effective upon the earlier of (a) receipt by the party to which notice is given, or (b) on the fifth (5th) Business Day following the date such notice was posted. Any notices to the Lender shall be addressed to:

Miller & Schroeder Investments Corporation
220 South Sixth Street, Suite 300
Minneapolis, Minnesota 55402
Attention: Loan Servicing Department
(Until December 1, 1999)

or

Miller & Schroeder Investments Corporation
150 South Fifth Street, 30th Floor
Minneapolis, Minnesota 55402
Attention: Loan Servicing Department
(After December 1, 1999)

Notices to the Borrower shall be addressed to:

President R.C. — St. Regis Management
Company
333 Earle Ovington Blvd.
Suite 900
Uniondale, New York 11553
Attention: Walter K. Horn, Senior Vice President
and General Counsel

8.03. Fees/Taxes/Attorneys Fees. The Borrower shall reimburse the Lender, upon demand, for all reasonable costs and expenses actually paid or incurred, including without limitation reasonable attorney's fees, by the Lender in connection with:

(i) the preparation or review of the Loan Documents;

(ii) subsequent to the Closing Date, the negotiation of any amendments or modifications to any of the Loan Documents requested by the Borrower or, if an Event of Default has occurred and is continuing, requested by the Lender, and any related documents, instruments or agreements and the preparation of any and all documents necessary or desirable to effect such amendments or modifications; and

(iii) the enforcement by the Lender during the term hereof or thereafter of the rights or remedies of the Lender hereunder or under any of the foregoing documents, instruments or agreements, including without limitation reasonable costs and expenses of collection in the Event of Default, whether or not suit is filed with respect thereto and whether such costs are paid or incurred, or to be paid or incurred, prior to or after entry of judgment.

The Borrower agrees to pay all stamp, document, transfer, recording or filing taxes or fees and similar impositions now or hereafter reasonably determined by the Lender to be payable in connection with the Loan Documents, or any other documents, instruments or transactions pursuant to or in connection herewith or therewith, and the Borrower agrees to save the Lender harmless from and against any and all present or future claims, liabilities or losses with respect to or resulting from any omission to pay or delay in paying any such taxes, fees or impositions, unless such omission or delay is due to gross negligence or willful misconduct on the part of the Lender. All such expenses,

taxes or attorney's fees shall be payable to the Lender on demand. The obligations of the Borrower under this Section 8.03 shall survive the repayment of the Note and the Loan.

8.04. Indemnification. (a) The Borrower agrees to indemnify and hold harmless the Lender and its directors, officers, employees, agents (including outside legal counsel), contractors, subcontractors, licensees, invitees, successors and assigns (collectively, the "Indemnified Persons"), against any and all losses, claims, damages or liability to which the Indemnified Persons, may become subject under any law in connection with the carrying out of the transactions contemplated by this Agreement or any other Loan Document (except the Borrower shall not have any obligation to the Lender in connection with any sale of participating interests in the Loan), or the conduct of any activity on the Premises or any accident, injury, death or damage to any person or property occurring in, on or about the Premises or any street, drive, sidewalk, curb or passageway adjacent thereto (other than as a result of the act of commission or omission, including negligence or willful misconduct, of any such party), or as a result of any arrangement whereby any party, other than the Lender or B&L Financial, Inc., is entitled to receive, or the Borrower is required to pay, any fee, commission or other compensation relating to the obtaining of financing which is the subject of this transaction, and to reimburse the Indemnified Persons, for any out-of-pocket legal and other expenses (including reasonable attorneys' fees, whether incurred at trial, on appeal, in bankruptcy proceedings, or otherwise) incurred by the Indemnified Persons, in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions relating thereto. The Lender agrees, at the request and reasonable expense of the Borrower, to cooperate in the making of any investigation in defense of any such claim and promptly to assert any or all of the rights and privileges and defenses which may be available to the Lender. The provisions of this Section shall survive the payment of the Note and the Loan.

(b) Without limiting the generality of the foregoing, the Borrower shall bear all loss, expense (including reasonable attorneys' fees, whether incurred at trial, on appeal, in bankruptcy proceedings, or otherwise) and damage in connection with, and agrees to indemnify and hold harmless the Indemnified Persons from all claims, demands and judgments made or recovered against the Indemnified Persons, because of bodily injuries, including death at any time resulting from any of the foregoing, and/or because of damages to property of the Indemnified Persons, or others (including loss of use) from any cause whatsoever, arising out of, or in connection with the acquisition, construction and installation of the Facility, if due to any act of omission or commission, including negligence, of the Borrower, or any of its agents, contractors, subcontractors, servants, directors, officers, employees, licensees or invitees. The Borrower's liability hereunder shall not be limited to the extent of such insurance or subject to any exclusions from coverage in any insurance policy. The

obligations of the Borrower under this Section shall survive the repayment of the Note and the Loan.

(c) The Borrower hereby agrees to defend, indemnify and hold harmless the Indemnified Parties from and against any and all claims, losses, damages, liabilities, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense and settlement of claims or remediation of contamination, whether incurred at trial, on appeal, in bankruptcy proceedings, or otherwise) incurred by the Indemnified Parties as a result of or in connection with the presence or removal of Hazardous Substances or as a result of or in connection with activities regulated under Section 6.06. The Borrower shall bear, pay and discharge, as and when the same become due and payable any and all such judgments or claims for damages, penalties or otherwise, against the Indemnified Parties, shall hold the Indemnified Parties harmless against all claims, losses, damages, liabilities, costs and expenses, administrative proceedings, and negotiations of any description with any and all persons, political subdivisions or government agencies arising out of any of the occurrences set forth in Section 6.06. These covenants, representations, warranties and indemnities shall be deemed continuing covenants, representations, warranties and indemnities running with the Premises for the benefit of the Lender, and any successors and assigns of the Lender. The amount of all such indemnified loss, damage, expense or cost, shall bear interest thereon at the rate of interest in effect on the Note and shall become so much additional indebtedness secured hereby and shall become immediately due and payable in full on demand of the Lender, and each of its successors and assigns. Proceeds of insurance obtained by the Borrower, to the extent paid to the Lender, shall be applied towards the satisfaction of the Borrower's obligations under this Section 8.04(c). The provisions of this Section shall survive the payment of the Note and the Loan.

8.05. Compliance Certificate. As soon as practicable, but in any event within forty-five (45) days after the end of each fiscal quarter, the Borrower agrees to provide to the Lender a certificate of the chief financial officer of the Borrower in substantially the form attached hereto as Exhibit B stating (i) whether or not he has actual Knowledge of the occurrence of any Event of Default under any of the Loan Documents or any event which with the giving of the notice or the passage of time would constitute an Event of Default under any the Loan Documents, other than Events of Default previously reported and remedied and, if so, stating in reasonable detail the facts with respect to such Event of Default, and (ii) that the Borrower is in compliance with each of the representations and warranties contained in Section 4 of this Agreement and each of the covenants set forth in Section 6 of this Agreement.

8.06. Participation Disclosures. The Borrower hereby acknowledges that the Lender will be selling participation interests in the Loan and, subject to the requirements set forth in Section 8.23, hereby authorizes the Lender to disclose to any potential participant the Loan Documents and

any and all financial and other information relating to the Borrower and delivered to the Lender in connection with this transaction, provided that Lender shall comply with all laws, including but not limited to federal and state securities laws, in connection with the offer or sale of such participation interests.

8.07. Amendments, Etc. No amendment, modification or waiver of any provision of the Loan Documents and no consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such amendment, modification, waiver or consent shall be effective only in the specific instance and for the purpose for which given. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

8.08. Successors and Assigns Included in Parties. Whenever in this Agreement one of the parties hereto is named or referred to, the heirs, legal representatives, successors and assigns of such parties shall be included and all covenants and agreements contained in this Agreement by or on behalf of the Borrower or by or on behalf of the Lender shall bind and inure to the benefit of their respective heirs, legal representatives, successors and assigns, whether so expressed or not.

8.09. Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and permitted assigns, except that the Borrower may not transfer or assign its rights hereunder without the prior written consent of the Lender.

8.10. Marshalling; Payments Set Aside. The Lender shall be under no obligation to marshall any assets in favor of the Borrower or any other Person or against or in payment of the Loan and other indebtedness of the Borrower to the Lender. To the extent that the Borrower makes a payment or payments to the Lender or the Lender exercises its rights of setoff, and such payment or payments or the proceeds of such setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

8.11. Section Titles. The section titles contained in this Agreement shall be without substantive meaning or content of any kind whatsoever and shall not govern the interpretation of any of the provisions of this Agreement.

8.12. Reliance by the Lender. All covenants, agreements, representations and warranties made herein and in any Loan Document by the Borrower shall, notwithstanding any investigation by the Lender, be deemed to be material to and to have been relied upon by the Lender and shall survive the execution and delivery of this Agreement.

8.13. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

8.14. Invalid Provisions to Affect No Others. If fulfillment of any provision hereof, or any transaction related thereto at the time performance of any such provision shall be due, shall involve transcending the limit of validity prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and such clause or provision shall be deemed invalid as though not herein contained, and the remainder of this Agreement shall remain operative in full force and effect.

8.15. Number and Gender. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the other.

8.16. Time of Essence. Time is of the essence in the performance of this Agreement.

8.17. Not Joint Ventures. The Lender is not, and shall not by reason of any provision of any of the Loan Documents be deemed to be, a joint venturer with or partner or agent of the Borrower.

8.18. Notice of Change in Location. The Borrower shall promptly notify the Lender of any change in location of Borrower's principal places of business or the offices where it keeps its records concerning accounts and contract rights.

8.19. Renewal or Extension. All provisions of this Agreement relating to the Note and the related documents shall apply with equal force and effect to each and all promissory notes or related documents hereinafter executed which in whole or in part represent a renewal, extension for any period, increase or rearrangement of any part of the Note or such related documents.

8.20. Tax Identification Number. The federal tax identification number for the Borrower is 43-1668014.

8.21. Setoff. If the unpaid principal amount of the Loan, interest accrued thereon or any other amount owing by the Borrower under the Loan Documents shall have become due and payable (by demand, acceleration or otherwise), the Lender shall have the right, in addition to all other rights and remedies available to it, without notice to the Borrower, to set off against, and to appropriate and apply to such due and payable amounts any debt owing to, and any other funds held in any manner by the Lender for the account of, the Borrower. Such right shall exist whether or not the Lender shall have made any demand hereunder or under any other Loan Document, whether or not such debt owing to or funds held for the account of the Borrower is or are matured or unmatured, and regardless of the existence or adequacy of any collateral, guaranty or any other security, right or remedy available to the Lender.

8.22. Name and Logo. Borrower hereby consents to the use of the name and logo of the Facility in the Loan offering book, Loan closing transcript, any tombstone ads or other promotional materials without any consideration to the Borrower other than the Loan.

8.23. Confidentiality. The Lender agrees to use all reasonable precautions to keep confidential in accordance with its customary procedures for the treatment of confidential information the financial statements and other information provided hereunder or under any of the Loan Documents, except the Lender may disclose the financial statements and other information to a potential participant in the Loan, a participant in the Loan, to any assignee or potential assignee of a participant, to the Lender's legal counsel, to any consultant of the Lender that has agreed to be bound by this paragraph, to directors, officers, employees of and agents for the Lender in its ongoing business and to any independent auditors of the Lender. If required by law, such information may also be provided to the Securities and Exchange Commission (or any successor agency), to any state regulatory agencies or authorities (and all successor agencies and authorities), to the National Association of Securities Dealers (or any similar agency), and to insurance regulatory authorities (including, without limitation, the National Association of Insurance Commissioners). If such information is otherwise required to be disclosed by law, including in any court proceeding, including (but limited to) response to any summons or subpoena in connection with any litigation, the Lender shall notify the Borrower of any law, court proceedings, summons or subpoena and the Borrower or any agent thereof shall have the ability to seek a protective order with respect to the summons and subpoena prior to disclosure. In addition, the Lender is permitted to disclose all such information which: (a) becomes generally available to the public other than as a result of a disclosure by the Lender or its directors, officers, employees or advisors; (b) becomes available to the Lender on a non-confidential basis from a source not known by the Lender to be bound by an undertaking of confidentiality; or (c) the Lender needs to disclose for the protection or enforcement of any of its rights or interests against the Borrower.

8.24. Integration; Conflicting Terms. This Agreement together with the other Loan Documents comprises the entire agreement of the parties on the subject matter hereof and supersedes and replaces all prior agreements, oral and written, on such subject matter. If any term of any of the other Loan Documents expressly conflicts with the provisions of this Agreement, the provisions of this Agreement shall control; provided, however, that the inclusion of supplemental rights and remedies of the Lender in any of the other Loan Documents shall not be deemed a conflict with this Agreement.

8.25. Governing Law and Construction. The Loan Documents shall be governed by, and construed in accordance with, laws of the State of New York. Whenever possible, each provision of the Loan Documents and any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of the Loan Documents or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision

or the remaining provisions of the Loan Documents or any other statement, instrument or transaction contemplated hereby or thereby or relating hereto or thereto. The parties shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with a valid provision the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provision. The provisions of this Section are irrevocable and may not be rescinded, revoked or amended without the prior written consent of Lender. The Borrower acknowledges the Lender has relied upon them in entering into the Loan Documents.

8.26. Consent to Jurisdiction; Waiver of Jury Trial. In the event a suit is commenced on the Loan Documents or the subject matter of the Loan Documents, the Borrower covenants that it will not dispute the jurisdiction of the district courts of the State of Minnesota or the United States District Courts for the District of Minnesota and all courts to which decisions of said courts may be appealed. The Borrower hereby waives any and all rights to a jury trial for any damages or losses of whatsoever nature or kind directly or indirectly arising out of, or related to, the Loan Documents or any of the transactions contemplated in connection herewith.

8.27. Term. This Loan Agreement shall be in effect until the Final Maturity Date or until such later time as all outstanding obligations under the Note, this Loan Agreement and the other Loan Documents have been paid in full.

IN WITNESS WHEREOF, the Borrower and the Lender have hereunto caused these presents to be executed on the date first above written.

PRESIDENT R.C. — ST. REGIS MANAGEMENT COMPANY

By MASSENA MANAGEMENT, LLC,
general partner

By IVAN KAUFMAN
Its PRESIDENT

And MASSENA MANAGEMENT CORP.,
general partner

By IVAN KAUFMAN
Its PRESIDENT

MILLER & SCHROEDER INVESTMENTS CORPORATION

By _____
Name: Kenneth E. Carlsen
Title: Vice President
Address: 220 South Sixth Street
Suite 300
Minneapolis, MN 55402

EXHIBIT A

[Form of Note]

EXHIBIT B

COMPLIANCE CERTIFICATE

DATED _____

I, the _____ of President R.C. — St. Regis Management Company (the "Borrower"), do hereby provide this Compliance Certificate in connection with that certain Loan Agreement dated February 24, 1999, by and between the Borrower and Miller & Schroeder Investments Corporation (the "Loan Agreement").

I certify, on behalf of the Borrower, that as of the date hereof:

(1) The Borrower is in compliance with each of the covenants contained in Section 6 of the Loan Agreement.

(2) Except as stated on an attachment to this certificate, each of the representations and warranties contained in Section 4 of the Loan Agreement are true and correct as of the date hereof, except for those representations or warranties made as of a certain date which remain true and correct as of such date.

(3) No event has occurred and is continuing which constitutes an Event of Default under the Loan Agreement, or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

PRESIDENT R.C. — ST. REGIS
MANAGEMENT COMPANY

By:_____
Its: General Partner

By:_____
Its:_____

EXHIBIT C

EXCEPTIONS SCHEDULES

None

COPY

PROMISSORY NOTE

$8,690,000.00

Uniondale, New York
Dated: February 24, 1999
Due: February 20, 2001

FOR VALUE RECEIVED, PRESIDENT R.C.— ST. REGIS MANAGEMENT COMPANY (the "Undersigned"), a New York general partnership, agrees and promises to pay to the order of Miller & Schroeder Investments Corporation (the "Lender"), its endorsees, successors and assigns (collectively, the "Holder"), at its principal office at 220 South Sixth Street, Suite 300, Minneapolis, Minnesota 55402, or such other place as the Holder may from time to time designate, the principal sum ("Principal") of Eight Million Six Hundred Ninety Thousand Dollars ($8,690,000) or so much thereof as remains unpaid from time to time, together with interest on the Principal Balance (as later defined) at the rate of interest hereinafter set forth, in coin or currency, which, at the time or times of payment, is legal tender for the payment of public and private debts in the United States of America. This Note shall be payable in the following manner and on all the following terms and at the following times:

1. **DEFINITIONS.** For purposes of this Note the following terms shall have the following meanings:

"Loan Agreement" shall mean the Loan Agreement of even date herewith entered into between the Undersigned, as borrower, and the Lender, as lender, wherein the Lender has agreed to lend to the Undersigned the Principal of this Note subject to compliance with the terms and conditions of such agreement.

"Maturity Date" shall mean February 20, 2001.

"Monthly Payment" shall mean the payments of interest or the equal payments of principal and interest due with respect to this Note on each Monthly Payment Date pursuant to Section 7.

"Monthly Payment Date" shall mean March 20, 1999 and the twentieth day of each month thereafter to and including the Maturity Date.

"Note" shall mean this Promissory Note, in the principal amount of $8,690,000, issued by the Undersigned to the Holder pursuant to the Loan Agreement.

"Principal Balance" shall mean the Principal from time to time outstanding and unpaid on this Note.

Terms not defined herein or elsewhere in this Note shall have the same meaning as defined in the Loan Agreement.

2. **DISBURSEMENT.** The Undersigned hereby acknowledges receipt of the sums evidenced by this Note.

3. **INTEREST RATE.** The Principal Balance of this Note at the close of each day shall bear interest at the following per annum rates of interest:

a. *Rate*. From and after the date hereof up to and including the Maturity Date, the Principal Balance shall bear interest at an annual rate equal to Nine and Seventy Five One Hundredths percent (9.75%) (the "Interest Rate").

b. *Default Rate*. If a Default (as later defined) occurs under this Note, then, at the option of the Holder hereof, during the entire period during which such Default shall occur and be continuing, interest shall be payable on the Principal Balance at a per annum rate of interest (the "Default Rate") equal to the lesser of: (i) the maximum lawful rate of interest permitted to be paid on this Note; or (ii) Four Percent (4%) plus the Interest Rate then in effect ("Default Rate") whether or not the Holder has exercised its option to accelerate the maturity of this Note and declare the entire Principal Balance due and payable.

4. **BASIS OF COMPUTATION.** Interest shall be computed on the basis of a 360 day year consisting of twelve (12) thirty (30) day months. Interest shall commence as to the Principal Balance on the date hereof.

5. **SERVICING FEE.** A servicing fee on the unpaid principal balance of this Note from time to time outstanding (computed on the same basis as interest pursuant to Section 4) shall accrue with respect to the Principal Balance from the date hereof at a per annum rate equal to one-fourth of one percent (0.25%) to May 20, 1999, and one-eighth of one percent (0.125%) thereafter to the Maturity Date. Such servicing fee shall be payable by the Undersigned to the Lender on each Monthly Payment Date and any accrued but unpaid servicing fee shall also be payable upon prepayment in full of this Note and upon maturity of this Note.

6. **LATE CHARGE.** In the event that any payment required hereunder is not paid within fifteen days after the due date thereof, the Undersigned agrees to pay a late charge of $.04 per $1.00 of unpaid payment to defray the costs of the Holder incident to collecting such late payment. This late charge shall apply individually to all payments past due and there will be no daily pro rata adjustment. This provision shall not be deemed to excuse a late payment or be deemed a waiver of any other rights the Holder may have including the right to declare the entire Principal Balance and interest immediately due and payable.

7. TERMS OF PAYMENT. This Note shall be payable as follows:

a. Commencing on March 20, 1999, and continuing on the twentieth day of each month thereafter up to and including May 20, 1999, interest only payments shall be paid, and

b. Commencing on June 20, 1999, and continuing on the twentieth day of each month thereafter to and including the Maturity Date, the Principal Balance, together with interest thereon, shall be payable in equal monthly installments of principal and interest; provided that such Principal Balance shall be payable on such earlier date as payment hereunder shall have been accelerated by virtue of the occurrence of an Event of Default hereunder at which time the entire unpaid Principal Balance hereof and all accrued and unpaid interest thereon, and all other charges payable pursuant to the terms hereof shall in any event be fully due and payable.

8. APPLICATION OF PAYMENTS. So long as a Default does not exist, all payments shall be applied first to any costs of collection, then to late charges, then to interest and servicing fees and then to Principal Balance, except that if any advance made by the Holder under the terms of any instruments securing this Note is not repaid, any monies received, at the option of the Holder, may first be applied to repay such advances, plus interest hereon, and the balance, if any, shall be applied as above. If a Default exists, the Holder may apply any payments received to Principal, interest, late charges or other amounts due from the Undersigned in such order as Holder, in its sole discretion shall determine. If any payment of Principal, interest, late charge or any other sum required to be made hereunder shall become due and payable on a day other than a Business Day, the due date of such payment shall be extended to the next succeeding Business Day with the same force and effect as if made on the scheduled payment or prepayment date, and without additional interest accruing thereon.

9. PREPAYMENT. This Note is subject to mandatory prepayment in whole or in part in the event the Tribe (as hereinafter defined) exercises its option under the Management Agreement (as hereinafter defined) to prepay all or a portion of the "Development Expenses," with interest thereon, due to the Undersigned pursuant to the Management Agreement. Subject to the conditions set forth in the Loan Agreement, the Principal Balance of this Note may be prepaid at the option of the Undersigned in whole or in part at any time. Any optional prepayment shall be made on fifteen (15) days advance written notice to the Holder and shall be made only on a Monthly Payment Date and shall be made in denominations of not less than $100,000 or provide for payment in full of the Principal Balance of this Note. No prepayment shall postpone the due dates or reduce the dollar amount of monthly installment payments.

10. SECURITY. The payment and performance of this Note are secured by the Loan Agreement and by an Escrow Agreement (the "Escrow Agreement") dated as of the date hereof between the Undersigned, the Lender and U.S. Bank Trust National Association, a

national banking association with offices in St. Paul, Minnesota, as escrow and paying agent (the "Escrow Agent"). Pursuant to the Loan Agreement, the Undersigned has pledged to the Lender a first and prior security interest in payments of management fees and loan repayment amounts (the "Pledged Revenues") required to be paid by St. Regis Mohawk Tribe, a federally recognized Indian tribe (the "Tribe") to the Undersigned pursuant to the Fourth Amended and Restated Management Agreement, dated November 7, 1997, and Addendum thereto (the "Management Agreement"), relating to the development and management by the Undersigned of the Tribe's gaming and related facilities. Pursuant to the Escrow Agreement, the Escrow Agent will receive the payment of all Pledged Revenues and will pay to the Holder the monthly installment payment then due, will pay to the holder of the Borrower's Promissory Note, dated the date hereof, in the principal amount of $3,492,000, given to the Lender, the monthly installment payment then due, and will pay the remaining portion of the Pledged Revenues to the Undersigned. This Note is executed pursuant to the terms and conditions of the Loan Agreement wherein the Undersigned is issuing this Note to the Lender and the Lender is lending the Principal sum of this Note to the Undersigned.

11. **DEFAULT.** If (i) a default be made in any payment when due in accordance with the terms and conditions of this Note, or (ii) an Event of Default (as defined therein) occurs under the Loan Agreement (any of the events described in clauses (i) and (ii) being herein singularly and collectively referred to as a "Default"), the entire Principal Balance together with accrued interest and servicing fees thereon and late charges, if any, shall become immediately due and payable at the option of the Holder.

12. **TIME OF ESSENCE; NO WAIVER.** Time is of the essence. No delay or omission on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right of any other remedy under this Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on a future occasion. All rights and remedies of Lender under the terms of this Note, under the terms of the Loan Agreement and/or the Escrow Agreement, and under any statutes or rules of law shall be cumulative and may be exercised successively or concurrently. Any provision of this Note which may be unenforceable or invalid under any law shall be ineffective to the extent of such unenforceability or invalidity without affecting the enforceability or validity of any other provision hereof.

13. **COSTS OF COLLECTION.** In the event of any Default hereunder the Undersigned agrees to reimburse the Holder for the costs of collection, including arbitration and court costs (if any) and reasonable attorneys' fees (after Default but prior to arbitration, during arbitration, during enforcement of action with respect to an arbitration award and on appeal) incurred in collecting the indebtedness secured hereby, or in exercising or defending, or obtaining the right to exercise, the rights of Lender hereunder, under the Loan Agreement or under the Escrow Agreement, whether an arbitration proceeding or action to compel arbitration or enforce an arbitration award be brought or not, and in bankruptcy, insolvency, arrangement, reorganization and other debtor-relief proceedings, in other court proceedings brought in accordance with the Loan Agreement, or otherwise in accordance with the Loan Agreement, and

all costs and expenses incurred by Lender in protecting or preserving the property and interests which are subject to the Loan Agreement and the Escrow Agreement.

14. WAIVER OF PRESENTMENT, ETC. Except as may be otherwise required in this Note, the Escrow Agreement or the Loan Agreement, demand for payment, presentment for payment, protest, notice of protest, notice of non-payment, notice of dishonor, notice of intention to accelerate maturity, notice of acceleration of maturity, notice of intent to foreclose on any collateral securing this Note, all other notices as to this Note, diligence in collection as to each and every payment due hereunder, and all other requirements necessary to charge or hold such person or entity to any obligation hereunder are waived. Consent is given to any release of all or any part of the security given for the payment hereof, any acceptance of additional security of any kind, and any release of, or resort to, any party liable for payment hereof.

15. SAVINGS CLAUSE. Notwithstanding anything to the contrary set forth in this instrument, if at any time until payment in full of all of the indebtedness due hereunder, the interest rate on such indebtedness exceeds the highest rate of interest permissible under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto (the "Maximum Lawful Rate"), then in such event and so long as the Maximum Lawful Rate would be so exceeded, the interest rate shall be equal to the Maximum Lawful Rate; provided, however, that if at any time thereafter the interest rate is less than the Maximum Lawful Rate, the Undersigned shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by the Holder from the making of advances hereunder is equal to the total interest which the Holder would have received had the interest rate been (but for the operation of this paragraph) the interest rate payable since the initial funding of the Loan. Thereafter, the interest rate payable hereunder shall be the interest rate provided for in this instrument unless and until the interest rate so provided for again exceeds the Maximum Lawful Rate, in which event this paragraph shall again apply. In no event shall the total interest received by the Holder pursuant to the terms hereof exceed the amount which such Holder could lawfully have received had the interest due hereunder been calculated for the full term hereof at the Maximum Lawful Rate. In the event that an arbitration panel appointed pursuant to the Loan Agreement or a court of competent jurisdiction, notwithstanding the provisions of this paragraph, shall make a final determination that the Holder has received interest in excess of the Maximum Lawful Rate, the Holder shall, to the extent permitted by applicable law, promptly apply such excess first to any interest due and not yet paid under this instrument, then to the Principal Balance due under this instrument, then to other unpaid indebtedness and thereafter shall refund any excess to Undersigned or as a court of competent jurisdiction may otherwise order.

16. USE OF PROCEEDS. All funds advanced under this Note shall be applied and are intended solely for commercial purposes and not for any personal, family or household purposes.

17. **GOVERNING LAW**. The interpretation and validity of this Note and all obligations evidenced hereby shall be governed by the substantive laws of the State of New York.

18. **CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL**. In the event of any default hereunder and in the event the Holder seeks enforcement of remedies to the Holder hereunder, the Holder may seek relief in, and the Undersigned consents to the jurisdiction of, the district courts of the State of Minnesota and all applicable appellate courts. The Undersigned hereby waives any rights to a jury trial for any damages or losses of whatever nature or kind directly or indirectly arising out of, or related to, this Note or any of the transactions contemplated in connection herewith.

Executed as of the date first above written.

PRESIDENT R.C. — ST. REGIS
MANAGEMENT COMPANY

By MASSENA MANAGEMENT, LLC,
general partner

By IVAN KAUFMAN
Its PRESIDENT

And MASSENA MANAGEMENT CORP.,
general partner

By IVAN KAUFMAN
Its PRESIDENT